

**CARIBBEAN DEVELOPMENT BANK**

**TWO HUNDRED AND NINETY-SECOND MEETING OF THE BOARD OF DIRECTORS**

**TO BE HELD VIRTUALLY**

**DECEMBER 10, 2020**

**PAPER BD 103/20**

**COUNTRY ENGAGEMENT STRATEGY 2020-2023 – SAINT LUCIA**

The attached Country Engagement Strategy (CES) sets out the strategic direction for the Caribbean Development Bank's (CDB) engagement with the Government of Saint Lucia (GOSL) over the period 2020-2023. The CES proposes an integrated sectoral level programme of assistance in areas where there is high government ownership, and that are expected to assist with the achievement of key development outcomes set out in GOSL's Medium-term Development Strategy 2020-2023. In line with GOSL's priorities, the CES builds on the last strategy and is focused on intervention areas that are key to strengthening the framework for delivering inclusive, resilient, and sustainable growth. The CES also supports GOSL's Coronavirus Disease 2019 response to address the challenges brought about by the pandemic.

2. The CES rests on the following four strategic pillars: (a) enhancing economic outcomes through resilient infrastructure, and private sector development; (b) enhancing inclusive social development and protection; (c) environmental sustainability, climate change and disaster risk reduction; and (d) effective crisis response and good governance. The proposed programme of assistance is designed to achieve the following development outcomes in Saint Lucia: (i) improved quality climate resilient transport infrastructure and services; (ii) enhanced viability of micro, small and medium-sized enterprises; (iii) improved quality, equity, efficiency and effectiveness of the education system; (iv) improved youth outcomes; (v) strengthened social protection systems; (vi) improved resilience to disaster and climate change risks; and (vii) improved crisis response systems and institutions, and governance structures. Gender equality, environmental sustainability, climate resilience, and good governance considerations will be mainstreamed in CDB's interventions with special attention to capacity development and institution building. An indicative resource envelope of one hundred and forty-eight million nine hundred thousand United States dollars (USD148.9 mn) will support the programme of assistance over the CES period 2020-2023.

3. The proposed strategy is aligned with CDB's Strategic Objectives of supporting inclusive and sustainable growth and development, and promoting good governance, and was designed in close collaboration with GOSL. The Strategy is results oriented, selective in focus, and incorporates lessons learned to ensure development effectiveness. The CES also aligns with the overarching goal and agreed operational themes under the Special Development Fund Tenth Cycle.

4. The Board is asked to approve CDB's CES for Saint Lucia for 2020-2023.



**CARIBBEAN DEVELOPMENT BANK**

**STAFF REPORT**

**COUNTRY ENGAGEMENT STRATEGY (2020-2023)  
SAINT LUCIA**

This Document is being made publicly available in accordance with the Bank's Information Disclosure Policy. The Bank does not accept responsibility for the accuracy or completeness of the Document.

Considered at the Two Hundred and Ninety-Second Meeting of the Board of Directors held virtually on December 10, 2020.

(BD 103/20)

Director (Ag.) Economics Department	<i>Mr. Ian Durant</i>
Deputy Director (Ag.) Economics Department	<i>Ms. Christine Dawson</i>
Economist	<i>Mr. Ronald James</i>

**DECEMBER 2020**

This Country Engagement Strategy was prepared by a Team comprising: Ronald James, Economist (Coordinator); Paul Murphy, Operations Officer (Education Specialist); Elbert Ellis, Operations Officer (Social Analyst); Valerie Isaac, Senior Operations Officer (Environment); Sharon Griffith, Operations Officer (Civil Engineer); Dindial Ramrattan, Statistician; Malcolm Wallace, Operation Officer (Agriculture and Rural Development); Michel Thomas, Operations Officer (CTCS); and Sonia Hampden (Coordinating Secretary).

**Any designation or demarcation of, or reference to, a particular territory or geographic area in this Document is not intended to imply any opinion or judgment on the part of the Bank as to the legal or other status of any territory or area or as to the delimitation of frontiers or boundaries.**

## ABBREVIATIONS

ARISE	-	Accelerated, Resilient, Inclusive, Sustainable and Equitably Shared
BELfund	-	James Belgrave Micro Enterprise Development Fund Inc.
BMCs	-	Borrowing Member Countries
BNTF	-	Basic Needs Trust Fund
CDB	-	Caribbean Development Bank
CES	-	Country Engagement Strategy
CGA	-	Country Gender Assessment
COVID-19	-	Coronavirus Disease
CPA	-	Country Poverty Assessment
CSP	-	Country Strategy Paper
DRM	-	Disaster Risk Management
DRR	-	Disaster Risk Reduction
DVRP	-	Disaster Vulnerability Reduction Project
ECD	-	Early Childhood Development
ECE	-	Early Childhood Education
ECROP	-	Eastern Caribbean Regional Ocean Policy
ERRP	-	Economic Recovery and Resilience Plan
ESDP	-	Education Sector Development Plan
ESR	-	Exogenous Shock Response
EU	-	European Union
FAO	-	Food and Agriculture Organisation
FY	-	Fiscal Year
GBV	-	Gender-Based Violence
GCF	-	Green Climate Fund
GDI	-	Gender Development Index
GDP	-	Gross Domestic Product
GM	-	Gender Mainstreamed
GOSL	-	Government of Saint Lucia
HDI	-	Human Development Index
ICT	-	Information and Communication Technology
km	-	kilometres
KRAs	-	Key Results Areas
M&E	-	Monitoring and Evaluation
mm	-	millimetres
mn	-	million
MOE	-	Ministry of Education
MOESJ	-	Ministry of Equity, Social Justice, Local Government and Empowerment
MOF	-	Ministry of Finance
MSMEs	-	Micro, Small and Medium-sized Enterprises
MTDS	-	Medium-Term Development Strategy
NAP	-	National Adaptation Plan
NDC	-	Nationally-Determined Contribution
OCR	-	Ordinary Capital Resources
OECS	-	Organisation of Eastern Caribbean States
ORM	-	Office of Risk Management
PBL	-	Policy-Based Loan
PFM	-	Public Financial Management
PMDU	-	Project Management Delivery Unit
PwDs	-	Persons with Disabilities

RIO	-	Resident Implementation Officer
ROCT	-	Republic of China (Taiwan)
SALCC	-	Sir Arthur Lewis Community College
SDF	-	Special Development Fund
SDGs	-	Sustainable Development Goals
SDM	-	Sustainable Development Movement
SEN	-	Special Education Needs
SIDS	-	Small Island Developing State
SLDB	-	Saint Lucia Development Bank
SLR	-	Sea Level Rise
SMEs	-	Small and Medium-Sized Enterprises
SPS	-	Social Protection System
SSN	-	Social Safety Net
TA	-	Technical Assistance
TVET	-	Technical, Vocational Education, and Training
UK-CIF	-	United Kingdom Caribbean Infrastructure Partnership Fund
UN	-	United Nations
UNDP	-	United Nations Development Programme
UNICEF	-	United Nations Children's Fund
USAID	-	United States Agency for International Development
WB	-	World Bank
WBG	-	World Bank Group
XCD	-	Eastern Caribbean Dollars
YEP	-	Youth Education Programme

## **TABLE OF CONTENTS**

### **EXECUTIVE SUMMARY**

- 1. OVERVIEW OF COUNTRY CONTEXT**
- 2. GOVERNMENT OF SAINT LUCIA KEY DEVELOPMENT CHALLENGES AND MEDIUM-TERM PRIORITIES**
- 3. COUNTRY PORTFOLIO REVIEW AND LESSONS LEARNT**
  - Country Portfolio
  - Country Strategy 2013-16 and Post-2016 Interventions
  - Lessons Learnt
- 4. CARIBBEAN DEVELOPMENT BANK'S COUNTRY STRATEGY (2020-2023)**
  - Country Engagement Strategy and its Proposed Contribution to Country Outcomes
  - Indicative Resource Envelope
  - Implementing the 2020-2023 Strategy
  - Coordination with Development Partners
  - Risk Analysis and Mitigation

### **APPENDICES**

- APPENDIX 1: GENDER MARKER ANALYSIS
- APPENDIX 2: SOCIAL VULNERABILITY MATRIX
- APPENDIX 3: SUMMARY OF FISCAL OPERATIONS, 2018-2025
- APPENDIX 4: CLIMATE AND DISASTER RISK SCREENING
- APPENDIX 5: STRATEGIC DEVELOPMENT VISION-DETAILED PRIORITIES
- APPENDIX 6: REVIEW OF PREVIOUS COUNTRY STRATEGY PAPER AND POST-STRATEGY INTERVENTIONS
- APPENDIX 7: RESULTS FRAMEWORK
- APPENDIX 8: IMPLEMENTATION REPORTING FRAMEWORK TEMPLATE
- APPENDIX 9: DEVELOPMENT PARTNERS' CURRENT ACTIVITIES

## COUNTRY DATA

### Macroeconomic Indicators

	2015	2016	2017	2018	2019
<b>REAL PER CAPITA INCOME (Constant 2010 Prices, USD)</b>	8,492.0	8,786.5	9,046.3	9,237.4	9,350.7
<b>GROSS DOMESTIC PRODUCT (GDP)</b>					
Constant GDP at 2018 Prices (\$ million [mn])	4,475.4	4,561.3	4,727.0	4,861.2	4,995.8
GDP at Current Market Prices (\$ mn)	4881.8	5,036.5	5,397.5	5,597.9	5,730.6
GDP at Constant Market Prices (Annual % Change)	0.1	3.4	3.5	2.6	1.7
<b>MONEY AND PRICES (Annual % Change)</b>					
Consumer Prices (period average)	-1.0	-3.1	-0.1	1.9	0.2
Money Supply (M1)	2.7	11.8	5.8	11.7	3.8
Credit to the Private Sector	-6.8	-7.8	-1.9	-1.0	-1.9
<b>PUBLIC FINANCES (% of GDP)</b>					
Revenues and Grants	21.3	21.7	21.0	21.4	20.8
Expenditures	23.7	23.0	23.0	23.2	24.7
Overall Surplus/ (Deficit)	(2.4)	(1.3)	(2.0)	(1.8)	(3.9)
Primary Surplus/(Deficit)	0.8	1.8	0.9	1.3	(0.9)
General Government Debt	59.5	60.4	59.3	59.6	60.3
<b>BALANCE OF PAYMENTS (% of GDP)</b>					
Exports of Goods and Services	50.4	54.2	52.7	50.7	n.a.
Imports of Goods and Services	59.1	53.9	57.1	58.4	n.a.
Current Account Balance	0.01	7.12	-1.06	2.33	n.a.
Foreign Direct Investment Inflows	7.05	7.91	7.63	7.48	n.a.
Estimated Tourism Expenditure (\$ mn)	2,074.1	1,981.6	2,261.0	2,431.5	2,620.1
<b>AVERAGE EXCHANGE RATE</b>					
\$ per USD	2.7	2.7	2.7	2.7	2.7

### Social and Environmental Data

	2015	2016	2017	2018	2019
<b>POPULATION</b>					
Total Population	179126	180024	180955	181889	182790
Crude Birth Rate (per 1,000 people)	12.4	12.3	12.1	12.0	12.0
<b>Life expectancy at birth, Total (years)</b>					
Female	77.0	77.1	77.3	77.4	77.4
Male	74.3	74.4	74.6	74.7	74.8
<b>EDUCATION</b>					
School Enrollment Ratio (%)					
Pre-primary (Gross)	74.0	79.9	79.8	73.9	74.0
Primary (net)	94.2	94.9	94.9	95.4	95.5
Secondary (Net)	80.8	78.6	80.8	81.3	81.4
<b>Pupil-Teacher Ratio</b>					
Pre-primary	n.a.	5.9	n.a.	n.a.	n.a.
Primary	15.5	15.1	15.2	14.7	n.a.
Secondary	11.7	11.8	11.4	11.1	n.a.
<b>LABOUR FORCE</b>					
Unemployment Rate (%)	24.1	21.3	21.1	20.9	16.8
Male	21.4	19.4	19.3	19.1	15.7
Female	27.5	23.5	23.3	23.0	17.8
Participation Rate (%)	66.7	66.8	67.0	67.0	67.3
Male	75.2	75.1	75.0	75.0	75.1
Female	58.5	58.9	59.3	59.3	59.5
<b>HEALTH</b>					
Current Health Expenditure (% of GDP)	4.8	5.2	4.5	4.5	4.7
<b>HUMAN DEVELOPMENT INDEX</b>	0.74	0.74	0.74	0.75	n.a.
<b>ENVIRONMENT</b>					
Forest Area (% of land area)	33.3	33.2	n.a.	n.a.	n.a.
<b>ICT PENETRATION</b>					
Individuals using the Internet (% of population)	42.5	46.7	50.8	n.a.	n.a.
Fixed broadband subscriptions (per 100 people)	15.9	16.5	17.6	17.7	n.a.
Mobile cellular subscriptions (per 100 people)	104.8	98.1	97.6	101.7	n.a.
<i>Sources: World Development Indicators, GOSL, UNDP: Human Development Report 2019.</i>					
<i>n.a. Not Available.</i>					
<i>Data as at September 2020.</i>					

## GENDER MARKER SUMMARY

<b>Gender Marker</b>	<b>Analysis</b>	<b>Design</b>	<b>Implementation</b>	<b>Monitoring and Evaluation</b>	<b>Score</b>	<b>Code</b>
	1.0	0.5	1.0	0.5	3.0	GM <sup>1</sup>

---

<sup>1</sup> Gender Mainstreamed (GM): the Country Engagement Strategy has potential to contribute significantly to gender equality (see Appendix 1 for details).

## **EXECUTIVE SUMMARY**

1. The Country Engagement Strategy (CES) articulates the Caribbean Development Bank's (CDB) programme of support for Saint Lucia over the period 2020-2023. The principal objective of the proposed CES is to help the country achieve its medium-term development objective of delivering inclusive and resilient growth and, in the near term, to support efforts to address the impacts of the Coronavirus Disease 2019 (COVID-19) pandemic. The CES will also assist Saint Lucia with its transition to a more environmentally sustainable and climate-resilient country in accordance with its near-term and long-term climate objectives. The strategy aligns with the key results areas (KRAs) and interventions identified by the Government of Saint Lucia (GOSL/the Government), for which the authorities have demonstrated a commitment to implement during the strategy period. These areas include: (a) quality climate resilient infrastructure and private sector development; (b) education development; (c) citizen security and social protection; (d) environmental sustainability, climate change and disaster risk reduction (DRR) systems; and (e) crisis response and good governance.

### **Country Context**

2. Over the past decade, Saint Lucia has made notable socioeconomic progress, but continues to grapple with volatile economic conditions and a high level of poverty and vulnerability, exacerbated by the recent unprecedented COVID-19 pandemic. Historically, vulnerabilities to natural hazard events and exogenous shocks have presented considerable development challenges, which have compromised economic growth. In addition, unemployment rates, particularly among youth, remain elevated and inequality continues to challenge poverty reduction and development efforts. These adverse social conditions threaten citizen security and expose other social vulnerabilities, such as crime, that disproportionately affect various demographic groups. In the wake of COVID-19, the increased fragility, extreme pressure on resources and the need to rapidly realign service delivery, have stretched the ability of the Government to respond. Nonetheless, conditions for growth are adequate to return the country to positive socioeconomic outcomes once the pandemic is resolved. However, a dedicated focus on implementation, as well as the integration of resilience considerations in programmes and projects, are necessary to strengthen the medium-term prospects.

### **National Priorities**

3. Six priority areas, earmarked in the Medium-term Development Strategy (MTDS) 2020-2023, form the core of GOSL socioeconomic transformation programme. These key initiatives are focused on increasing economic growth and being socially responsive to the needs of the Saint Lucian people. They are categorised under two broad headings: (a) economic – which includes infrastructure, tourism, and agriculture; and (b) social – which includes education health and citizen security, with gender equality, climate resilience, digitalisation, and social protection as cross-cutting thematic development areas. GOSL is committed to managing and mitigating the impacts of the pandemic, while achieving sustainable and equitable growth and development over the longer term.

### **Caribbean Development Bank in Saint Lucia**

4. The Saint Lucia portfolio is CDB's fourth largest, with loan and grant approvals over the period 1970-August 2020 totalling five hundred and twenty-four million United States dollars (\$524 mn), of which \$265.4 mn had been disbursed. CDB has provided funding for a range of projects and programmes, mainly in the areas of infrastructure development and education. Over the period 2014-18, net resource flows were negative because of implementation challenges. However, this turned positive in 2019 as previously stalled projects resumed implementation.

## **Country Strategy 2020-2023: Pillars and Expected Outcomes**

5. CDB's proposed strategic support is built around three KRAs and the associated development priorities of GOSL, namely: education; infrastructure; and citizen security, as well as GOSL's COVID-19 strategic priorities. The CES rests on four pillars: (a) enhancing economic outcomes through resilient infrastructure, and private sector development; (b) enhancing inclusive social development and protection, and rehabilitation of young offenders; (c) environmental sustainability, climate change and DRR; and (d) effective crisis response and good governance. The indicative programme of assistance has been designed to achieve the following outcomes:

- (a) improved quality climate resistant infrastructure and services;
- (b) enhanced viability of micro, small and medium-sized enterprises (MSMEs);
- (c) improved quality, equity, efficiency and effectiveness of the education system;
- (d) improved youth outcome;
- (e) strengthened social protection system (SPS);
- (f) improved resilience to disaster and climate change risks; and
- (g) improved crisis response systems and institutions, and governance structures.

### **Resource Envelope**

6. The indicative resource envelope is estimated at \$148.9 mn. This envelope is considered appropriate based on GOSL's assessed fiscal carrying capacity over the strategy period and its commitment to implement its overall medium-term strategic development programme. The CES will be implemented through a range of projects and programmes financed by resources from CDB's Ordinary Capital Resources (OCR), Special Development Fund (SDF), and the United Kingdom Caribbean Infrastructure Partnership Fund (UK-CIF). Where possible, CDB will blend OCR resources with SDF and climate change-related concessional funding to reduce the cost of funds to GOSL<sup>1</sup>. Technical assistance (TA) will be used to build capacity to support CES implementation and, ultimately, the achievement of development results. The Delivery Unit set up in Saint Lucia in 2019 to support implementation, augurs well for the implementation of the CES and the timely disbursement of the resource envelope.

### **Results Monitoring**

7. Strategy implementation and sector outcomes will be monitored within a Results Framework. An implementation monitoring plan, which will incorporate the findings of regular stock takes between CDB and GOSL, along with a mid-term review, will be utilised for the continuous review of considerations underpinning the current proposed strategy, country/sector implementation progress, and the effectiveness of CDB's interventions with a view to course correct, where necessary. Given the current difficult economic climate, which could impact strategy implementation, these monitoring tools will facilitate and allow for the required adaptability and flexibility in the strategy to adjust the scope and to re-prioritise in the event of changed conditions. As required, sex-disaggregated data and gender-sensitive indicators will be used to allow for the monitoring of gender inequality (see Appendix 1). An end-of-strategy review will be conducted by

---

<sup>1</sup> The tenth cycle of the SDF (SDF 10) is currently under negotiations and will come into force in 2021.

CDB to assess the effectiveness of the strategy, review the country portfolio performance, and to identify lessons learnt and opportunities for improvement.

### **Risks and Mitigating Actions**

8. The main risks to successful implementation of the proposed CES are: (a) adverse macroeconomic conditions that could compromise the Government's fiscal position and, therefore, its ability to undertake project and programme financing; (b) implementation capacity constraints; and (c) a change in administration with a different development focus. CDB has identified measures to help mitigate these risks, including: (i) capacity building and institutional strengthening supported, in part, by the appointment of a Resident Implementation Officer (RIO); and (ii) the conduct of regularly programmed dialogues/stock takes with GOSL intended to provide early warnings regarding emerging risks. These dialogues will include discussions on the prevailing macroeconomic conditions in Saint Lucia, including fiscal and debt conditions, and the medium-term outlook.

## 1. OVERVIEW OF COUNTRY CONTEXT

1.01 Saint Lucia has made reasonable progress in some elements of its socioeconomic development, partly evidenced by the rise in its Human Development Index (HDI) score, which rose from 0.690 in 2000 to 0.745 in 2018<sup>1</sup>. Notwithstanding, Saint Lucia is deemed to be a vulnerable state. CDB ranks Saint Lucia as the second most vulnerable state amongst its Borrowing Member Countries (BMCs) with a score of 0.63, well above the BMC average of 0.54<sup>2</sup>. This vulnerability was highest amongst low-income households and youth, who face the highest levels of unemployment. In addition, a persistently high level of inequality continues to challenge poverty reduction and development efforts in country. These adverse social conditions increase vulnerabilities among socio-economically disadvantaged groups leading to negative consequences associated with social exclusion, including citizen security risks such as anti-social behaviour, crime and violence (see the Social Vulnerability Matrix at Appendix 2).

1.02 As a small, open economy, Saint Lucia is exposed to external shocks ranging from natural hazard events to global crises. These vulnerabilities have compromised growth performance over the past decades. As a result, economic growth has been persistently low and volatile. Economic output, dominated by tourism services and construction activities, has grown over the past 10 years (2010-2019) by an average rate of 1% (see Country Data). However, output was buoyant in 2016 and 2017, with real gross domestic product (GDP) growth averaging 3.5% over the two-year period. Over the two years that followed, 2018 and 2019, economic activity was tempered with growth averaging 2.0%.

1.03 The global COVID-19 pandemic further exacerbated the inherent vulnerability of the Saint Lucia to external shocks. The viral outbreak, caused by the 2019 Novel Coronavirus (Severe Acute Respiratory Syndrome-CoV-2), has spread rapidly across the world since December 2019<sup>3</sup>. As of November 19, 2020, Saint Lucia had recorded 203 confirmed cases with two deaths. The COVID-19 pandemic started as a health crisis but very quickly showed a socio-economic dimension. Notably, COVID-19 has significantly compromised growth prospects for 2020 due to its severe impact on tourism, the main economic activity. The actions taken by GOSL to slow the spread of the disease took a devastating toll on the economy, with real GDP, which was originally projected to grow by 3.0% in 2020, now expected to decline by 18.8%. However, GOSL has outlined a recovery strategy that is consistent with its MTDS and that is expected to strengthen economic conditions over the medium term. Consequently, over the CES period, economic growth is projected to improve to 5.6% in 2021, and then to approximately 3.0% by 2023. Notwithstanding, risks to this outlook are tilted heavily to the downside. A prolonged pandemic would further contract activities in the tourism sector, with the attendant deterioration in overall growth performance, fiscal and debt conditions, and social circumstances.

1.04 GOSL's fiscal policy stance has led to persistent overall balances, though primary surpluses are more common. Fiscal operations over the past five years (2015-19) have resulted in overall deficits averaging 2.8% of GDP and a primary surplus of 1.9% of GDP. Over the same 5-year period, public sector outstanding debt, which is mainly external, remained relatively stable averaging 61.0% of GDP.

1.05 Fiscal and debt deterioration is expected for 2020, brought on primarily by the dual impact of lower revenue inflows and increased expenditure as GOSL increased its efforts to respond to the COVID-19 crisis. Consequently, a primary deficit of approximately 4.8% of GDP and an overall deficit of 8.0% of GDP are projected for 2020. The impact on debt, which is projected to climb to 82.6% in 2020, will be considerable.

---

<sup>1</sup> United Nations Development Programme (UNDP).org.

<sup>2</sup> Measuring Vulnerability: A Multi-Dimensional Vulnerability Index for the Caribbean. CDB Working Paper No. 2019/01.

<sup>3</sup> The World Health Organisation declared a global pandemic on March 11, 2020. As of October 28, 2020, over 44 mn cases have been reported globally, resulting in 1.17 mn deaths worldwide.

1.06 Fiscal and debt outcomes are expected to improve over the medium term, albeit marginally. Over the strategy period, primary deficit is expected to improve to 1.1% of GDP in 2021, rising to 0.5% by 2023. Public debt is projected to inch down to 81.9% by 2023 (see Appendix 3).

1.07 Pre-COVID-19, Saint Lucia showed mixed social indicators. The Enhanced Country Poverty Assessment (CPA:2016), revealed a decline in the level of poverty to 25.0% from 28.8% in 2006<sup>4</sup>. This translated to 43,000 persons living below the poverty line of six thousand four hundred and forty-three Eastern Caribbean dollars (XCD6,443). The decline was most pronounced in rural areas with a reduction in poverty levels from 41.0% to 32.9%. Based on the Multidimensional Poverty Analysis<sup>5</sup>, 24.2% of the population was assessed as being poor. In addition, the child poverty rate was appreciably higher in rural areas – 41.4%, compared with 32.0% in urban areas. Indigence fell during the period from 1.6% in 2006 to 1.3% in 2016, but the level of inequality remained high and unchanged at 0.43 during the decade 2006-2016. These data confirm the relatively rigid structural nature, the inter-generational persistence of poverty, and the inequality levels in Saint Lucia. Furthermore, poverty was concentrated in female-headed households with children under the age of five years. Notwithstanding the higher poverty rate in female-headed households (42.3%) and the increase in the share of poor children living in female-headed households from 48.6% in 2006 to 58.2% in 2016, over 40% of poor children continue to live in male-headed households. The COVID-19 pandemic has further exacerbated the lives, livelihoods and living conditions of the population Saint Lucia, particularly the most vulnerable.

1.08 According to the 2018 United Nations (UN) Global HDI<sup>6</sup>, Saint Lucia, a Small Island Developing State (SIDS), ranked 89 out of 189 countries with a HDI value of 0.745, which placed it in the high human development category. The high HDIs are supported by a SPS, that includes: (a) social insurance; (b) social safety net (SSN) programmes; and (c) public health and education services. Although access and coverage are high, the administration of social assistance is complex, fragmented, and loosely coordinated by many small programmes that make limited use of technologies for the targeting and monitoring of beneficiaries. The authorities have relied heavily on the horizontal and vertical expansion of these programmes to mitigate the impact of COVID-19 on livelihoods, however, the SPS is overwhelmed and was not designed to be adaptive and scaled-up in times of crisis. Despite recent improvements in poverty and unemployment levels, Saint Lucia's social development and the ability to meet the Sustainable Development Goals (SDGs)<sup>7</sup> are now at risk because of the effects of COVID-19.

1.09 Saint Lucia relatively high Gender Development Index (GDI)<sup>8</sup> of 0.975 (2018) masks some persistent underlying inequality issues. To address some of the challenges, GOSL is currently implementing a gender

---

<sup>4</sup> Saint Lucia's National Report of Living Conditions (2016: xvi). The Report was prepared with CDB's support under the Enhanced CPA Programme.

<sup>5</sup> *Ibid.* The Multidimensional Poverty Analysis is based on the capability approach to measurement, which contends that the quality of life should be conceived and measured directly in terms of 'functionings' and 'capabilities' instead of resources or utility as is reflected in the consumption-expenditure based measurement of poverty. Households were measured based on 18 indicators and 5 dimensions: education, living standards and security, employment, health, and the dimensions of environment, including climate change and vulnerability.

<sup>6</sup> SIDSs are a group of small islands/states that tend to share similar sustainable development challenges, including small but growing populations, limited resources, remoteness, susceptibility to natural hazards, vulnerability to external shocks, excessive dependence on international trade, and fragile environments.

<sup>7</sup> SDGs were adopted by UN Member States in 2015 as a universal call to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030.

<sup>8</sup> GDI measures gender inequalities in three basic dimensions of human development. These include: (a) health – measured by female and male life expectancy at birth; (b) education – measured by female and male expected years of schooling for children, and mean years for adults aged 25 years and older; and (c) command over economic resources – measured by female and male estimated Gross National Income per capita.

mainstreaming project with support from the UN Economic Commission for Latin America. The project aims to:

- (a) enable the development of a nationally-owned gender mainstreaming strategy to support inclusion among all citizens;
- (b) build capability in gender mainstreaming, budgeting, and planning as part of the National Sustainable Development Plan and Saint Lucia's vision for inclusion; and
- (c) prepare ministries, departments, and agencies to pivot towards a transparent and data-driven culture that recognises the value of sex-disaggregated data and uses it to inform decision-making.

1.10 Saint Lucia is also particularly vulnerable to the adverse effects of climate-related hydrological and geophysical hazards because of its geographical location and size. The Global Climate Risk Index 2018 placed Saint Lucia in the top 10.0% of countries for losses due to climate-related natural disasters during 1997-2016, and in the top 15.0% for climate-related disaster fatalities. Climate change is projected to worsen weather-related shocks and increase sea levels and the occurrence of more extreme weather events, especially hurricanes and droughts, as well as the country's susceptibility to landslides and flooding. Saint Lucia's Climate and Disaster Risk Screening is presented at Appendix 4. The effect of Saint Lucia's vulnerability to climate change and natural disasters is the disproportionate impact on the poor. Addressing people's vulnerabilities to climate change and natural hazards will require enhanced preparedness, as well as improved natural resources management to mitigate preventable disasters.

## **2. GOVERNMENT OF SAINT LUCIA KEY DEVELOPMENT CHALLENGES AND MEDIUM-TERM PRIORITIES**

2.01 Saint Lucia's long-term development strategy focuses on improving the quality of life of the population. The country's strategic direction is anchored within the SDGs 2030, from which emerged Saint Lucia's Seven National Development Pillars (see Appendix 5 for details). Its key medium-term development priorities are articulated in its recently-published MTDS 2020-2023. The MTDS highlights key structural constraints and challenges, such as a narrow economic base which limits growth prospects, and high vulnerability to natural hazard events. It also acknowledges that though some social indicators such as the HDI are favourable, poverty headcount remains high.

2.02 To address these challenges, the MTDS outlined a broad commitment to sustainable and inclusive growth. The strategy promotes economic growth that is *Accelerated, Resilient, Inclusive, Sustainable, and Equitably Shared* (ARISE). "ARISE" encapsulates the magnitude and quality of economic growth that are necessary conditions for Saint Lucia to achieve the socioeconomic outcomes anticipated by the strategy<sup>9</sup>. This strategy, which benefited from extensive consultation with the public, private sector, and civil society, is supported by a strong focus on implementation. Specifically, the MTDS aims to:

- (a) Achieve a higher rate of economic growth, which will generate jobs and energise MSMEs.
- (b) Increase the resilience of the economy and the society to economic and natural disaster related exogenous shocks.
- (c) Ensure that all subgroupings of the society are adequately accommodated and represented in the development process.
- (d) Place the economy on a high and sustainable growth path, without compromising the country's fiscal position and environmental conditions.
- (e) Ensure that everyone enjoys the benefits of robust and equitably shared growth.

2.03 At the operational level, the strategic planning process produced six KRAs – three targeted at improving social outcomes (Citizen Security, Education, Health) and three focused on improving economic outcomes (Agriculture, Infrastructure and Tourism) (see Table 2.1). In addition to the six KRAs, four cross-cutting thematic areas that are locally relevant were also incorporated into the MTDS: Climate Change and Disaster Resilience; Productivity and Competitiveness; Gender Mainstreaming; and Social Protection. A broad-based consultative process led to the identification and assessment of Game Changers and Enablers that would propel the transformation necessary over the medium term. Specific projects and programmes, along with detailed implementation plans, have been developed for each KRA.

---

<sup>9</sup> Saint Lucia MTDS 2020-2023.

**TABLE 2.1: KEY RESULTS AREAS**

KRAs	Overarching Goal
Agriculture	Increase improve agricultural output by 36.0%, and export.
Tourism	Increase tourism arrivals and receipts.
Infrastructure	Provide resilient infrastructure to support socio-economic development.
Health	Increase the provision of affordable and quality health care.
Education	Improve the quality of education and improve the education pathways.
Citizen Security	Reduce the crime rate and improve the judicial system.

*Source: Saint Lucia's MTDS 2020-2023.*

2.04 GOSL and CDB have identified four of the six priority KRAs for cooperation: (a) education; (b) infrastructure; (c) citizen security; and (d) interventions in agriculture, mainly in the form of feeder roads rehabilitation. In addition, CDB proposes to provide support in the areas of environmental sustainability, climate change and disaster risk management (DRM), and private sector development. Crisis response, particularly with respect to the ongoing COVID-19 pandemic, is an area identified by CDB for support across all BMCs. The issues and challenges of each intervention area are discussed briefly below.

### **Education**

2.05 Several education outcomes, including expected years of schooling, and primary and secondary enrolment rates, are high by international standards. Nevertheless, there are still challenges that GOSL is committed to address, for example, students' performance at the primary and secondary school levels have been flagged as areas for improvement. GOSL has indicated that to improve the performance of students across the system, there is a need to increase teacher effectiveness to cater to the learning needs of all students. Quality is compromised by the lack of universal access to Early Childhood Education (ECE). As a result, approximately 12.0% of the 3 and 4-years old population is currently not enrolled at early childhood centres. Additionally, at the higher education level enrolment rates at the post-secondary and tertiary levels remain significantly low with only 20.1% of secondary school leavers matriculating to these levels. Of this, approximately 61.0% are female and 39.0% are male. At the same time, students at the secondary and post-secondary levels pursuing Technical, Vocational Education, and Training (TVET) currently have limited opportunities to pursue these programmes at higher levels, given that the Caribbean Vocational Qualification programmes are typically not offered beyond Level 2.

2.06 These constraints affect the quantity and quality of young graduates who enter the labour market. To address some of these concerns, GOSL is currently implementing the CDB-supported Education Quality Improvement Project aimed at improving the quality, equity, and effectiveness of the education system. Other proposals of the MTDS include:

- (a) Increasing the participation of children in ECE.
- (b) Adapting the curriculum to meet the changing demands of the global economy.

- (c) Elevating the quality of teaching and modes of delivery (through teacher training and the use of Information and Communications Technology [ICT]).
- (d) Increasing access to post-secondary and tertiary education.
- (e) Strengthening and expanding TVET.

### **Infrastructure**

2.07 Productivity in Saint Lucia is heavily reliant on efficient and robust infrastructure, considering that economic opportunities are linked to the mobility of people, goods, and information. Similarly, access to and within rural communities is becoming more important as economic and social development expand in these areas. The harnessing of economic opportunities is hampered by infrastructure challenges that include:

- (a) poor governance structures and institutional and regulatory weaknesses, including the absence of a national land use plan;
- (b) inadequate maintenance and capacity of infrastructure;
- (c) construction cost overruns;
- (d) inadequate tariffs to cover life cycle costs for projects that should be self-financing; and
- (e) absence of effective finance and private sector participation.

2.08 Vulnerability to climate variability and climate change, high-energy consumption, and inadequate data also present challenges to infrastructure development. These challenges are exacerbated by the natural relief and topography of the island, which add costs to construction and maintenance. GOSL recognised that adequate infrastructure supports productivity and competitiveness, particularly in the areas of tourism, agriculture, retail and trade. As such, building new appropriate infrastructure and upgrading the existing aging stock have been declared medium-term imperatives.

### **Citizen Security and Social Protection**

2.09 Although Saint Lucia is classified as a middle-income economy, poverty and inequality have contributed to sub-optimal social development outcomes in some areas. High poverty levels are closely associated with an increasing incidence of crime, which correlates with feelings of normlessness, social exclusion, and alienation. The nexus between poverty and crime, particularly among the nation's youth (and especially young men aged 15-35), suggests the need for a comprehensive developmental approach that takes into account the imperative of providing opportunities for integrated social and economic development. Crime and violence across society, particularly in poor and at-risk communities, has the potential to undermine development gains and concomitantly endanger the lives of persons most vulnerable to crime. Cognisant of the impact of crime, successive governments have invested heavily in police stations' infrastructure, and increased the fleet of vehicles and the number of law enforcement officers. However, in concert with current good development practice, GOSL is now tackling issues of crime and violence and anti-social behaviour through the implementation of complementary restorative justice and crime prevention

strategies<sup>10</sup> that seek to understand and redress the risk factors, including the systemic and structural impediments to societal participation of at-risk sub-population cohorts. In keeping with the developmental crime prevention approach, GOSL recently embarked on implementing a citizen security intervention – Youth Empowerment Project (YEP) – with the support of CDB. The objective of GOSL is to reduce serious crime, reduce recidivism, improve public perception, and reduce investigation and prosecution backlogs. This objective will be achieved through:

- (a) enhancing the crime detection and patrol system;
- (b) strengthening community involvement in crime fighting;
- (c) strengthening/expanding the social crime diversion and rehabilitation initiatives to reduce the effects of current risk factors in a more deliberate, strategic, coordinated, and sustainable manner;
- (d) integrating results-based youth empowerment responses to effectively address the risk factors, avoid duplication, and improve efficiency and effectiveness in the delivery of services at the community level;
- (e) improving investigation and prosecution backlogs; and
- (f) enhancing adult and juvenile rehabilitation programmes.

2.10 As part of its ongoing effort to improve human capital formation while protecting the vulnerable, in particular during times of external shocks, GOSL remains committed to strengthening the resilience of the country's SPS by increasing its adaptive shock responsiveness. GOSL's commitment to social protection is defined in the National Social Protection Policy and Action Plan (2009) and buttressed by the MTDS (2020-2023). The initiatives in the MTDS, will focus on modernising the SPS and building necessary capacity in key agencies. Major emphasis will also be placed on improving the efficiency of social programmes by rationalising those offered across the various agencies. This will ensure that the most in need are receiving the right mix and quantum of interventions to sustainably transcend poverty. As such, the social protection agenda will focus on: building the human capital of poor and vulnerable households; creating avenues for their increased participation in the labour market, with emphasis on technical and vocational skills; enhancing digital skills; and supporting entrepreneurship for economic empowerment.

### **Agriculture**

2.11 The agriculture, forestry and livestock sector accounted for 2.0% of the economy's real output in 2019. The sector has declined an average of 2.1% over the last 10 years (2010-2019). The weakening of the sector is attributed to low productivity and weak market linkages – factors that are directly related to high incidence of pest and diseases, vulnerability to weather-related hazards, and limited investment in agricultural/rural infrastructure, in particular farm/rural roads. Nonetheless, the sector remains a significant contributor to socioeconomic life, food and nutrition security, and the protection and sustainability of the rural milieu. Sustaining and improving the performance of the sector will require significant public and private investment in climate resilient production and market access infrastructure and systems – feeder roads, drainage, water/irrigation systems, farm buildings and facilities in support of the production/marketing of high-quality crop and livestock products. Governance and management of key subsectors with emerging economic potential (e.g. livestock) is paramount, hence appropriate plans and strategies are required to guide

---

<sup>10</sup> Caribbean Human Development Report (2012). Human Development and Shift to Better Citizen Security. The publication was supported by UNDP.

industry development and align outputs with overall national goals. Furthermore, the sustainability of the sector requires an infusion of technology and a focus on climate-smart systems that build resilience and make the sector more attractive to youths. In light of the sector's relevance to the SDGs, and the exposure of the sector to climate change and climate variability, a sectoral adaptation strategy and action plan that promotes climate smart agricultural practices has been developed to improve climate resilience. These are outlined in the Agricultural Policy Framework and Strategy for Saint Lucia (2016-2021).

### **Private Sector Development – Micro, Small and Medium Enterprises**

2.12 The goal of sustainable and inclusive growth requires a strengthening of the private sector to allow for a greater role in driving growth<sup>11</sup>. More than 70% of private companies in Saint Lucia are MSMEs, which contribute significantly to GDP and employment. MSMEs play a particularly vital role in the Saint Lucian society, as they tend to employ a large share of the most vulnerable segments of the workforce, namely less-experienced and less-educated workers belonging to poorer households, women and young people. However, MSME development is hindered by a number of challenges related to limited access to skills, knowledge, and finance. The MTDS 2020-2023 highlights the need to create an enabling environment for private sector development as part of its crosscutting thematic area of productivity and economic competitiveness. As such, GOSL is focusing on initiatives aimed at creating that enabling environment and improving conditions for private sector growth and development.

### **Environmental Sustainability, Climate Change and Disaster Risk**

2.13 Saint Lucia's high level of vulnerability to climate change and disasters related to natural hazard events has adversely affected strategic economic sectors such as agriculture, water resources, transportation, energy, tourism, and urban development. The country's vulnerability is compounded by the disproportionate adverse impacts on poor and disadvantaged persons. Existing economic and social inequalities, including gender-based vulnerabilities, cause greater exposure of the poor and disadvantaged to climate related hazards, increase their susceptibility to damage caused by these hazards, and decrease their ability to cope with and recover from the damage. As a result, when disasters occur, the poor and disadvantaged suffer disproportionate loss of income and assets.

2.14 Disaster risks and impacts are amplified by inadequate preparedness and mitigation measures. Insufficient information on hazard risks and climate change impacts, as well as weak data sharing among agencies, also contribute to limiting the country's preparedness and response to natural hazard events. Limited proactive financial planning for post-disaster response hinders timely relief and early recovery.

2.15 Enhanced DRR and climate resilience are important to sustain Saint Lucia's economic growth and development. This requires, *inter alia*, proactive non-structural actions such as adequate financial planning and risk transfer, integrated natural resources management, land use planning, improved environmental and social policies, increased community knowledge and capacities, public awareness, and resilient structural measures. These proactive actions become even more relevant considering that disaster and climate risks and impacts are likely to increase in the medium and long term driven by, among other things, improper land use and development that increasingly exposes critical national and individual assets to natural hazards. Saint Lucia's Climate Change Policy Assessment 2018 identified land use planning, including coasts, as one of several gaps and priority actions concerning the country's preparedness for climate change.

2.16 GOSL recognises that measures to stimulate and sustain economic growth should be combined with measures to reduce associated environmental, disaster and climate change risks. GOSL is therefore committed to integrating climate resilience into its national development planning across all sectors and is

---

<sup>11</sup> Saint Lucia MTDS 2020-2023.

already taking measures in this regard. Working with various development partners including CDB, GOSL has various projects already underway to adapt and to build resilience. GOSL developed and approved several policies, strategies and action plans and financing mechanisms to strengthen climate change adaptation and mitigation and DRR in the near term and the long term. These include the National Adaptation Plan (NAP) (2018-2028) sectoral adaptation strategies and action plans for key sectors (e.g. water, agriculture, fisheries, and natural resources management and infrastructure). GOSL is revising its nationally determined contribution (NDC) to advance implementation of the Paris Agreement climate change goals. This revision will, among other things, determine needed changes in the subsidies and taxation schemes to help reduce fossil fuels consumption and lower national carbon emissions, ascertain innovative financing mechanisms to help meet NDC targets, and to track its climate change related spending and budget. GOSL also intends to develop its long-term low emissions and development strategy aligned to the Agreement.

2.17 Despite this progress, the sector agencies and local communities lack sufficient capacity and resources (financial and human) to effectively implement the various policies, plans and strategies. More generally, while legal and regulatory frameworks are in place for environmental protection and physical planning, their objectives far exceed existing enforcement capacity.

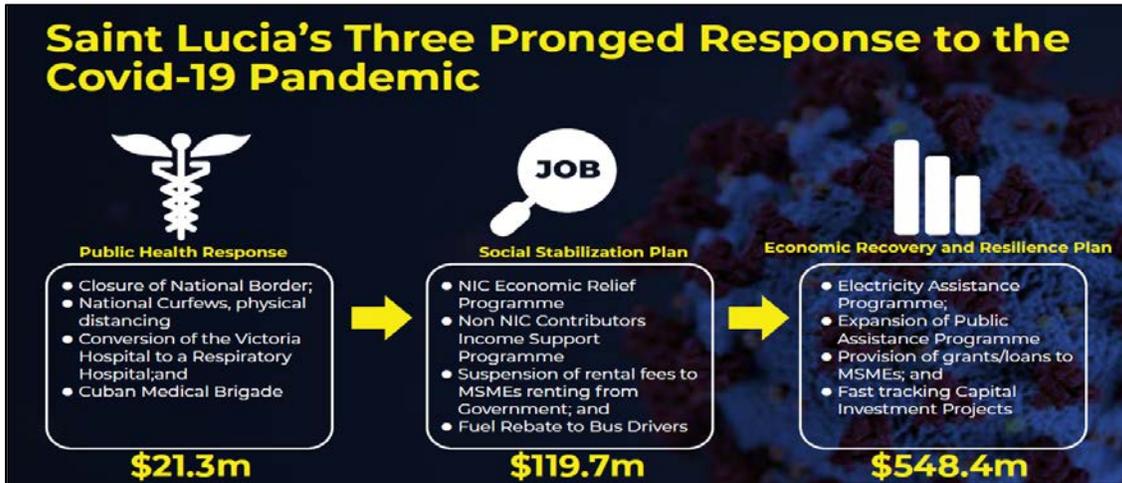
### **COVID-19 Impacts and Crisis Response**

2.18 The COVID-19 pandemic has severely compromised economic conditions in 2020 and could have lingering effects into the medium term. Economic growth is projected to decline by 19.0% in 2020, followed by a gradual recovery over the medium term. Consequently, social conditions have been adversely affected with unemployment estimated to have risen sharply, following widespread closure across the tourism industry.

2.19 The pandemic has also tested the public financial management (PFM) systems in Saint Lucia. Lower economic activity has resulted in a sharp decline in GOSL's fiscal situation. GOSL's estimated gross financing for Fiscal Year (FY) 2020/2021 amounts to \$1.4 billion (28.5% of GDP). This outcome has led GOSL to reassess its fiscal policy and identify and mobilise additional financial resources. With revenue estimated to be considerably lower than in previous years, and the demands for spending by the Government increasing, GOSL has had to divert development resources to respond to the immediate challenges brought on by the pandemic. The crisis increased the demand on the Government to ensure timely availability of funds for critical areas of government, such as health and social protection, and to improve and develop systems for tracking, accounting, and reporting in a transparent manner the resources deployed for emergency response. Developing and deploying a comprehensive business continuity strategy also became necessary as curfews and lockdowns were employed to flatten the infection curve of the virus.

2.20 GOSL's response to COVID-19 has been embedded in a three-pronged approach, which in part is informed by its MTDS. The first focused on the immediate public response, while the second on stabilisation of the Saint Lucian society, through the Social Stabilisation Plan. The third prong of GOSL's response strategy is the Economic Recovery and Resilience Plan (ERRP), which lays the groundwork for recovery and building resilience to external shocks over the medium term (see Figure 2.1 for details of these actions).

**FIGURE 2.1: THREE-PRONGED RESPONSE TO THE COVID-19 PANDEMIC**



Source: Saint Lucia's ERRP.

2.21 Though GOSL's response strategy required higher-than-expected investment in social protection in areas such as income support, electricity assistance, and expansion of public assistance programmes for the most vulnerable, the strategy is largely consistent with the MTDS. The investments aimed at strengthening social protection and building social resilience, and the fast tracking of capital investment projects are relevant to the KRAs of the MTDS.

2.22 Similarly, the ERRP builds on the infrastructure developments identified in the MTDS. While COVID-19 has caused a re-ordering of priorities in the short term, GOSL's development objectives and focus remain unchanged.

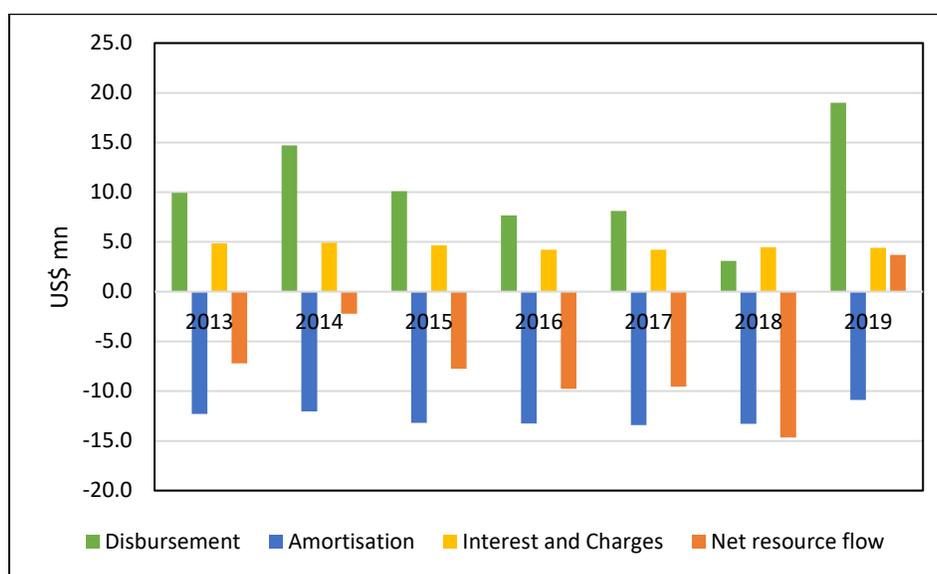
### 3. COUNTRY PORTFOLIO REVIEW AND LESSONS LEARNT

#### COUNTRY PORTFOLIO

3.01 Saint Lucia is one of CDB’s largest portfolios. From 1970-2020, approvals of loans, contingent loans, equity, and grants totaled \$524 mn, of which \$265.4 mn had been disbursed by August 2020. CDB’s Annual Review of the Performance of the Portfolio of Projects (2020),<sup>12</sup> states that as at December 31, 2019, Saint Lucia’s active investment portfolio consisted of 9 projects with a total approved value of \$106.1 mn, or 7.7% of CDB’s ongoing operations. Recent performance of the country’s portfolio has been affected by delays in disbursements and by the slow implementation of projects. At the end of 2019, the disbursement ratio was 19.6%, well below the overall ratio of 25.2% in CDB’s BMCs. Based on the Project Performance rating of 6.0, Saint Lucia’s portfolio was ranked as satisfactory<sup>13</sup>.

3.02 Furthermore, as illustrated in Figure 3.1, net resource flows to Saint Lucia have been negative over the period 2013-18, confirming that disbursements did not keep pace with the repayment obligations. Over that period, disbursements varied considerably, while repayment obligation remained relatively constant. However, in 2019, the net resource flow turned positive, as disbursements to GOSL increased sharply relative to the previous years.

**FIGURE 3.1: PORTFOLIO FLOWS**  
(\$ mn)



Source: CDB.

#### COUNTRY STRATEGY 2013-16 AND POST-2016 INTERVENTIONS

3.03 The 2013-16 Strategy focused on improving the country’s economic and social resilience through interventions that support improved efficiency of social and economic infrastructure, increased the contribution of the agricultural sector and small and medium-sized enterprises (SMEs), improved youth outcomes, and strengthened strategic management capacity to reduce vulnerability.

<sup>12</sup> Annual Review of the Performance of the Portfolio of Projects/Loans, 2019. Paper BD 52/20.

<sup>13</sup> Ibid.

3.04 That strategy was supported by an indicative envelope of \$88.5 mn, which was contemplated under varying scenarios that were dependent on economic growth, implementation speed, and fiscal capacity during the period. Following the approval of the Country Strategy Paper (CSP) in December 2012, approximately 7 CSP-related loans were approved, totaling \$66.5 mn, of which to date, \$18.4 mn has been disbursed (see Table 3.1). In addition to loans, grant resources amounting to \$3.4 mn were approved; to date, \$2.8 mn of those resources have been disbursed. Project initiation and implementation were delayed due to: (a) extreme weather events, such as the trough in December 2013; and (b) changed priorities of the new Government elected in 2016. GOSL cancelled a street lighting project.

**TABLE 3.1: NEW LOAN APPROVALS AND DISBURSEMENTS 2013-16**  
(\$ mn)

<b>Previous CSP</b>	<b>Approval Date</b>	<b>Loan Approvals</b>	<b>Loan Disbursements*</b>
Sixth Water – Vieux Fort Water Supply Redevelopment	2014	19,675,000	5,891,402
Natural Disaster Management – Immediate Response –Torrential Rainfall Event		750,000	750,000
Seventh Water (John Compton Dam Rehabilitation) Project	2015	10,167,000	3,287,412
Eighth Water (Dennery North Water Supply Redevelopment)	2016	6,228,000	5,535,129
Saint Lucia Education Quality Improvement Project		16,192,000	2,467,863
YEP		2,860,000	464,948
Street Light Retrofitting Project		10,603,000	Cancelled
<b>Total</b>		<b>66,475,000</b>	<b>18,396,754</b>

Source: CDB.

\*As at November 16, 2020.

3.05 Work on a number of projects that were delayed for example, the Sixth Water – Vieux Fort Water Supply Redevelopment and the Saint Lucia Education Quality Improvement Project, have since resumed. The delay constrained the realisation of the strategy outcomes, but this situation is slowly improving as progress is made on some of the identified programmes. See Appendix 6 for a review of the Country Strategy 2013-16 and the post-strategy programmes.

## **LESSONS LEARNT**

3.06 Slower-than-expected progress was made during the previous country strategy and highlighted some important issues which serve as lessons that have informed CDB’s strategic posture going forward. These are organised in four main areas:

- (a) **Monitoring implementation of the CES:** Weak communication between government agencies adversely affected project management. Strengthening coordination and communication amongst all stakeholders is important for ensuring the success of the CES programmes. Therefore, this strategy places a greater emphasis on implementation and monitoring, building on existing CDB frameworks in tandem with the Centre of Government methodology that GOSL has embraced. Accordingly, the policies, programmes and projects identified within the CES will be accompanied by a framework that facilitates a collaborative approach to monitoring and implementation between GOSL and CDB, allowing timely identification of risks to implementation and corrective actions (see Appendix 7).

- (b) **Country Engagement:** given the political cycle imperative, CDB's interventions should be cognisant of the likelihood of administrative changes during the strategy period. As such, the consultations that are undertaken as part of the development of the strategy should include not only government officials but a broader civil society engagement.
- (c) **Capacity Building:** should be integral to the design of the CES, taking into account the human capital limitations, and the differential needs of males and females. It is important that careful attention be paid to capacity constraints that delay implementation to ensure that the design integrates opportunities for building capacity within implementing agencies.
- (d) **Impact of Disasters related to Natural Hazard events:** natural disasters can significantly derail implementation of the CES. The CES must be sufficiently flexible to accommodate changes in proposed measures, and projects while preserving the overall objectives and intent of the programme.

**4. CARIBBEAN DEVELOPMENT BANK'S COUNTRY ENGAGEMENT STRATEGY  
(2020-2023)**

**COUNTRY ENGAGEMENT STRATEGY AND ITS PROPOSED CONTRIBUTION TO COUNTRY OUTCOMES**

4.01 The CES aligns with the national priorities of Saint Lucia and with CDB's Strategic Objectives of promoting broad-based economic growth and social development, as well as to enhance environmental sustainability. It seeks to maximise country development impact through a strategically-focused programme formulated collaboratively with GOSL; is consistent with the MTDS; reflects CDB's comparative advantage and expertise; and takes full account of the priorities of other development partners. It is intended to improve implementation primarily through enhanced country engagement. The interventions have already been thoroughly screened jointly by CDB and GOSL for readiness and project management capacity.

4.01 CDB interventions will seek to blend its loan resources (OCR and SDF) with concessionary climate funds, where possible, reflecting the Bank's emphasis on incorporating climate change resilience into all of the project it finances. Basic Needs Trust Fund (BNTF) grant resources will also be leveraged to support some initiatives.

4.02 The CES is premised on four broad/strategic pillars:

- (a) enhanced economic outcomes through infrastructure and private sector development;
- (b) inclusive social development and protection;
- (c) environmental sustainability, climate change and DRR, and effective crisis response and good governance.

4.03 Each of the first three pillars has indicative projects aimed at contributing to particular sector outcomes in the KRAs of: infrastructure development; citizen security; and education. The fourth pillar is directed primarily towards supporting response and recovery to adverse shocks such as COVID-19. The four strategic pillars are supported by six expected outcomes. These outcomes are outlined in the Results Framework, which will guide the process of implementation (see Appendix 7). The strategy is underpinned by CDB's crosscutting themes of gender equity, good governance, and climate change resilience, which will be mainstreamed in CDB's operations.

**Pillar I: Enhancing Economic Outcomes through Infrastructure and Private Sector Development**

*Expected Outcome 1: Improved Quality Climate Resilient Infrastructure and Services*

4.04 CDB will support initiatives that will improve and maintain road access by building economic resilience to weather-related shocks, minimise post-disaster or recovery spending, improve competitiveness, and maintain macroeconomic stability. These initiatives include:

- (a) Preparing a national transport policy and plan.
- (b) Upgrading agriculture feeder roads.

- (c) Designing of, and capital works for, the Millennium Highway and West Coast Road Rehabilitation.
- (d) Improving access and drainage.
- (e) Upgrading water and sanitation.

*Expected Outcome 2: Enhanced Viability of MSME*

4.05 Over the medium term, CDB's support will focus on enhancing MSME viability by:

- (a) Providing training to MSMEs in business continuity and resilience planning, financial literacy/management, social media marketing and e-commerce.
- (b) Preparing and implementing an enterprise census/survey to capture current business/private sector data for critical strategic, policy and ministerial programming decisions. The data will provide the: distribution of business establishments by district and sector; disaggregation of information by gender, age and ownership-type; scale of business operations (micro, small, medium, or large); and employment levels and statistics for various industries.
- (c) Providing training to improve the export capacity of fresh produce exporters.
- (d) Enhancing labour market programmes through training and entrepreneurship development.
- (e) Providing line of credit to the Saint Lucia Development Bank (SLDB) to support MSME development initiatives in the areas, such as agriculture.

**Pillar II: Enhancing Inclusive Social Development and Protection**

*Expected Outcome 3: Improved Quality, Equity, Efficiency and Effectiveness of the Education System*

4.06 CDB will maintain focus on improving Saint Lucia's human capital as a critical long-term investment required to support growth and poverty reduction. CDB will support expanding the supply of certified, skilled, and employable labour to enhance productivity and economic competitiveness, and improve income earning capacity. Interventions will complement existing activities and provide integrated solutions to institutionalise an effective and inclusive education and training system, which promotes the learning needs of all. Accordingly, the following interventions, are identified for CDB support:

- (a) Upgrading and expanding early childhood development (ECD) centres, primary and secondary schools, institutional strengthening and capacity building at the system and school levels, and transformation of the special educational needs (SEN) provision nationally.
- (b) Upgrading and transitioning the Sir Arthur Lewis Community College (SALCC) to the Sir Arthur Lewis University College.
- (c) Improving human resource development and livelihoods

*Expected Outcome 4: Improved Youth Outcomes*

4.07 CDB will focus on interventions for capacity-building. Areas identified for CDB's assistance include:

- (a) Providing a safe, secure, modern and gender-responsive rehabilitative/multi-service centre for vulnerable and at-risk youths.
- (b) Strengthening the Court Diversion Programmes.
- (c) Strengthening the Restorative Justice Programmes.
- (d) Strengthening human capacity in the Ministries of Equity, Social Justice, Local Government and Empowerment, and Health and Wellness.

*Expected Outcome 5: Strengthened Social Protection System*

4.08 The CES will assist in the economic and social recovery of poor households in the wake of the COVID-19 crisis. The CES will focus on interventions to increase resilience in the SPS by supporting modernisation of the public assistance payment system, strengthening human capital, and enhancing the monitoring and evaluation (M&E) system to track the impact of financial assistance to beneficiaries within the MSME sector post-COVID-19. CDB's assistance will focus on the following key areas:

- (a) Digitising payments for public assistance beneficiaries for financial inclusion.
- (b) Strengthening human capital – micro enterprise development through, *inter alia*, training, capacity-building, and access to financial resources for entrepreneurship in partnership with financial entities, e.g. The James Belgrave Micro Enterprise Development Fund Inc. (BELfund).
- (c) Establishing/strengthening work programmes (shift away from welfare), e.g. supporting skills development and demand-driven training programmes offered through Ministries of Youth, National Skills Development Centre, and TVET under the Ministry of Education (MOE).
- (d) Strengthening psychosocial and mental health training programmes for counsellors in the Ministries of Equity, and Health and Wellness.

**Pillar III: Environmental Sustainability, Climate Change and Disaster Risk Reduction**

*Expected Outcome 6: Improved Resilience to Disaster and Climate Change Risks*

4.09 CDB will support sustainable economic growth in line with Saint Lucia's commitments to improve DRR and climate resilience. Support will be provided for ongoing disaster and climate change risk reduction interventions by GOSL, as well as to fill selected priorities and gaps. CDB will continue to make emergency funding available to GOSL to support recovery efforts following the passage of a natural disaster<sup>14</sup>. Proactive measures must be taken to protect vulnerable populations, strengthen buildings and infrastructure, and to reduce the financial shock on household and sovereign budgets. To achieve this, responsibility for the

---

<sup>14</sup> CDB's emergency funding facilities include: Rapid Response Loan; Immediate Response Loan; and Emergency Response Grant.

systematic reduction of disaster risks must occur at the national level (public sector institutions), private sector and the community level. Data and information limitations can also hinder proactive climate change and DRR interventions.

4.10 Even as disaster and climate risk management are considered crosscutting themes in the CES, and will therefore be mainstreamed into CDB's investments in Saint Lucia through project design, there are some discrete interventions which CDB will support to advance Saint Lucia's climate action ambitions. The assistance to Saint Lucia will continue to be demand driven, focused and selective, yet adaptive to changing circumstances and may include:

- (a) TA for the preparation of a long-term low emission and development strategy, and for selected infrastructure investments to implement NDC and the NAP commitments.
- (b) Strengthening GOSL's capacity (including community level) for climate change and DRM, including national land use planning, hazard mapping, vulnerability assessments, multi-hazard early warning systems, climate change and disaster data, and information sharing and public sector business continuity planning.

#### **Pillar IV: Effective Crisis Response and Good Governance**

##### *Expected Outcome 7: Improved Crisis Response Systems and Institutions, and Governance Structures*

4.11 The COVID-19 crisis has had a significant socio-economic impact on Saint Lucia, affecting poor households, prospects for private sector development, and poverty reduction in the short-to-medium term. A decline in seasonal tourism, as well as social distancing measures, has already manifested its impact through a substantial shortfall of incomes and increasing social hardship. Due to the global nature of the crisis, remittance flows may not quickly rebound, and the required level of development finance to respond may not be forthcoming. GOSL requires support to tackle COVID-19 to assist the poorest households and impacted businesses, while pursuing reforms to expand fiscal space, strengthening its macro-economic framework, alongside addressing longstanding constraints as part of its programme to recover from the economic crisis. The CES will aim to assist GOSL to respond to COVID-19 through the provision of budget support.

4.12 Governance arrangements in Saint Lucia have played a critical role in immediate responses and will continue to be crucial to recovery. In this regard, GOSL's focus on policy coherence and coordination through agencies such as the National Emergency Management Advisory Committee and the COVID-19 Taskforce, has helped to manage the crisis. Evidence-based policymaking and evaluation have guided decisions related to the pandemic. The Government has taken steps to enhance digital government, and articulated plans for business continuity across all areas of society, both public and private. PFM became even more critical as GOSL had to adjust the Budget to accommodate spending to support response to the crisis. In order to enhance the governance structures and build institutional resilience over the longer term, GOSL has taken decisive actions to: improve PFM, public debt management and procurement; build the health capacity of the country; and is currently working on a National Health Insurance scheme, among others. Some of these actions are directly supported by CDB through the provision of budget support and other resources.

4.13 The planning and design of CDB's CES for Saint Lucia started prior to the emergence of the COVID-19 crisis. Finalising the Strategy was delayed in part to allow for the incorporation of specific initiatives to respond to this crisis. CDB's response has been in the provision of budget support through an Exogenous Shock Response (ESR) Policy-Based Loan (PBL). The PBL was approved by the Board of Directors in October 2020. The provision of budget support utilising re-deployed, low-cost SDF 9 resources to support country COVID-19 responses, was proposed and sanctioned as an important lever within CDB's

overall package of assistance<sup>15</sup>. Saint Lucia also benefited from a regional personal protective equipment initiative spearheaded by CDB, with logistics support from the Caribbean Disaster Emergency Management Agency. Additionally, GOSL will also be able to access a concession line of credit being funded by the Inter-American Development Bank through CDB for health, social protection, and MSMEs.

### **Other Areas for Consideration**

4.14 As part of building economic resilience, the Blue Economy is identified as a key area of intervention in CDB's Strategic Plan 2020-2024 in its engagement with its BMCs. To support a transition to a more structured sustainable development strategy in the Organisation of Eastern Caribbean States (OECS), work to develop a green-blue economy strategy and action plan commenced in 2013, when the OECS Heads of Government endorsed the Eastern Caribbean Regional Ocean Policy (ECROP) and its associated strategic action plan. This initiative was intended to guide the future use of the Region's marine resources and provide a basis for enhanced coordination and management of the Region's ocean assets. In 2019, ECROP was revised to align with the UN Agenda 2030 for Sustainable Development. In 2020, the OECS convened an inaugural Blue Economy Investor Roundtable at the Sustainable Development Movement (SDM). The OECS Blue Economy investment portfolio, which was unveiled at SDM, identified five priority areas for future Blue Economy projects, including: (a) economic growth; (b) equitable development; (c) environmental protection; (d) climate resilience; and (e) strong ocean governance.

4.15 The evolution of the Blue Economy as a potential transformative economic platform in the OECS – and by extension Saint Lucia – is in its very early stages, providing multilateral development partners, such as CDB, opportunities to be active participants. CDB is committed to supporting the economic diversification of Saint Lucia through the Blue Economy and contributing to efforts that generate jobs and build resilience. As part of the CES, CDB will undertake analytical works to study the options for developing a Blue Economy framework for Saint Lucia. The assessments will explore opportunities where CDB can make significant impacts and, where possible, undertake preliminary steps.

4.16 Similarly, CDB plans to support the digital transformation ongoing in Saint Lucia. Like many BMCs, Saint Lucia needs a modern regulatory framework around data governance, improved cybersecurity, platforms to provide government services electronically, and increased private sector digital activity – commercial and residential. Within the framework of the Caribbean Communication Infrastructure Programme, GOSL is investing in broadband to connect all government locations (including schools and hospitals). In June 2020, the World Bank (WB) Board of Executive Directors approved the regional Caribbean Digital Transformation Project for four Eastern Caribbean countries, which includes Saint Lucia. This project aims to support the development of an inclusive digital economy in the Caribbean. It aims to increase access to digital services, technologies, and skills by governments, businesses, and individuals. In 2019, GOSL approved the implementation of the DigiGov project which aims to deliver 164 government services via an online platform. So far, drivers' licensing services have gone online and soon e-procurement and online registry services will be rolled out. The digital transformation thrust of GOSL provides opportunities to provide support towards assisting GOSL in achieving its digital development outcomes. During the strategy period, digital solutions will be applied, where relevant, across CDB's interventions. CDB recognises the enhanced role that digital solutions have played during the COVID-19 era, setting the platform for further development post-COVID-19. Therefore, during the strategy period CDB will explore potential opportunities for collaboration with GOSL and other partners already operating in this field to advance the development of a digital economy.

---

<sup>15</sup> The paper, CDB's Proposed Response to COVID-19, (SDF 9/4 SM-2 Add.1) was submitted to the June 2020 Meetings of Contributors to the SDF.

## INDICATIVE RESOURCE ENVELOPE

4.17 The indicative resource envelope is estimated at \$148.9 mn (see Table 4.1). The size of the resource envelope is predicated on a blend of loan and grant-financed resources and takes into consideration projections of GOSL's fiscal capacity over the strategy period. The envelope includes: grant resources, through UK-CIF, to finance the Millennium Highway and West Coast Road Project (\$36.9 mn); SDF (\$4 mn) to support social protection; and BNTF grants (\$3 mn) (see Appendix 6 for details on BNTF). The UK-CIF grant will be blended with CDB resources for increased leverage. CDB will continue to seek ways to augment the present level of concessionary funding available to Saint Lucia to improve cost efficiency and development impact over the strategy period.

**TABLE 4.1: INDICATIVE SUPPORT PROGRAMME**  
(\$ mn)

<b>Project/Programme</b>	<b>Amount</b>
<u>Enhancing Economic Outcomes through Infrastructure and Private Sector Development</u>	
<i><b>Infrastructure Development</b></i>	
Community/Feeder Roads Programme	16.0
National Transport Plan	0.5
Millennium Highway and West Coast Road	47.5
Access and Drainage (BNTF)	0.4
Water and Sanitation (BNTF)	0.9
<i><b>Private Sector Development</b></i>	
Training and Capacity Building TA)	0.8
Enterprise Survey (TA)	0.5
Line of Credit (SLDB)	10.0
<b>Sub-total</b>	<b>76.6</b>
<u>Enhancing Inclusive Social Development and Protection</u>	
<i><b>Education</b></i>	
Basic Education Programme	15.0
SALCC Redevelopment	10.0
Education, Human Resource Development and Livelihoods (BNTF)	1.2
<i><b>Citizen Security and Social Protection</b></i>	
Strengthen Court Diversion and Restorative Justice Programmes	3.6
Rehabilitative/multi-service centre for vulnerable and at-risk youth	5.0
Strengthen psycho-social and mental health training programme for counsellors in the Ministry of Equity, Social Justice, Local Government and Empowerment (MOESJ) and the Ministry of Health	0.8
Strengthen human capital by increasing training and skills enhancement for beneficiaries	0.7
Social Protection	4.0
<b>Sub-total</b>	<b>40.3</b>
<u>Enhancing DRM and DRR Systems</u>	
TA to support Capacity Building	2.0
<b>Subtotal</b>	<b>2.0</b>
<u>Improved Crisis Response Systems and Institutions and Good Governance Structures</u>	
ESR PBL	30.0
<b>Sub-total</b>	<b>30.0</b>
<b>TOTAL</b>	<b>148.9</b>

## **IMPLEMENTING THE 2020-2023 STRATEGY**

4.18 A Results Framework will be used to monitor and assess the development outcomes associated with the CES (see Appendix 7). It ensures that the country's development objectives are aligned to each outcome and indicative intervention of the CES. Performance indicators will be utilised to monitor the expected outcomes to which the proposed interventions are expected to contribute. In the CES, the Results Framework is predicated on sector-level outcomes, and a project-level Results Framework will be developed at the design stage for each project.

4.19 Operationalisation of the CES will be supported by CDB's proposed initiatives to facilitate strategy implementation. In particular, to support the implementation of projects and programmes, CDB will appoint a RIO stationed in Saint Lucia. Additionally, capacity-building support will be provided to officers of relevant ministries, departments and agencies for project implementation, and this may be augmented by acquiring external project management skills. It is also anticipated that GOSL will continue to leverage the Project Management Delivery Unit (PMDU) (see Appendix 5) to support implementation of key projects and programmes, including some listed in CDB's indicative programme.

4.20 Monitoring and coordinating of the CES will be done collaboratively by CDB (coordinated by the Economics Department) and country authorities. CDB's engagement will be focused on promoting mutual accountability for results and fostering open and frequent policy dialogue with GOSL. CES implementation will be monitored through regular stock takes and country missions, where possible. Accordingly, an implementation monitoring framework will be utilised to track the progress of the strategy, focusing on the outcome indicators identified in the CES Results Framework, utilising enhanced structured communication channels between CDB and GOSL and timely reporting. The framework will be used to identify risks to implementation and implement mitigating measures. The stock takes will be done collaboratively with GOSL-assigned counterparts. These will also allow for the assessment of the utilisation of the resource envelope, and any necessary course corrections to ensure the continued relevance of the strategy. A sample of this reporting framework is available at Appendix 8.

4.21 CDB will maintain active dialogue with the country authorities and finalise arrangements for pre-appraisal inputs, such as conditions precedent to be met (including land acquisition and resettlement where warranted), financing preparation activities, and designs from conception to implementation.

4.22 Implementation of the CES will be guided by CDB's operational framework, which defines the specific roles and responsibilities at the country and Bank levels for approved projects. Towards the end of 2023, an end-of-strategy review will be led by CDB to assess sector outcomes of the CES according to the Results Framework.

## **COORDINATION WITH DEVELOPMENT PARTNERS**

4.23 Donor coordination is critical to avoid duplication and to maximise engagement with Saint Lucia, given its access to a number of concessional and grant resources from a variety of bilateral and multilateral sources. The design of the CES considers GOSL's engagement with other development partners, inclusive of coordination around COVID-19 assistance, to create synergies and draw on CDB's comparative advantage.

4.24 Multilateral partners include the World Bank Group (WBG) and the European Union (EU). Bilateral partners include France, Japan, Mexico, and the Republic of China (Taiwan) (ROCT). Notable engagements with other agencies include support for building climate change resilience (Government of the United Kingdom, EU, and WBG); and renewable energy (WBG). In particular, the Disaster Vulnerability Reduction Project (DVRP) for Saint Lucia aims to reduce urgent disaster vulnerability and increase long-term climate

resilience by addressing the multi-faceted risks associated with hydro-meteorological events. CDB's intervention in this area is therefore limited to capacity building in the relevant Ministry or agency related to climate change, DRM, and DRR.

4.25 The EU assigned 77.0% of its 11<sup>th</sup> European Development Fund (2014-2020) indicative resources to support employment generation through private sector development. The Food and Agriculture Organisation (FAO) Country Programming Framework for the period 2016-19, remains relevant as a new framework is being developed. The 2016-19 Framework focused on three main areas of engagement: (a) access to land, food, and decent employment; (b) natural resource management, disaster mitigation and resilience; and (c) agriculture. CDB has collaborated with FAO to design a model for ranking feeder roads for repairs and rehabilitation. WB has provided \$20 mn to support the Human Capital Development Project, the objectives of which are improved labour market relevance of skills and the efficiency of the SPS in Saint Lucia. CDB's planned social protection intervention is complementary to the work being undertaken by WB.

4.26 Response to COVID 19 has been multifaceted with different multilateral agencies making notable contributions. The International Monetary Fund and WB have made resources available through the Rapid Response Facility and the Development Policy Loan, respectively. As noted above, CDB has provided liquidity support through its ESR PBL, as well as used SDF resources to assist Saint Lucia with meeting debt service obligations. Apart from providing necessary immediate liquidity support to GOSL to assist with the fight against COVID-19, these facilities also support the Government in meeting some of the PFM challenges that have been exacerbated by the crisis.

4.27 The coordination of GOSL's development partners is done by the Department of Economic Development. Appendix 9 summarises the current activities of development partners.

## **RISK ANALYSIS AND MITIGATION**

4.28 The CES is exposed to a number of risks, which have been taken into consideration in its formulation. The identified risks are primarily financial and operational. Various risk mitigation measures have been considered to manage these risks within tolerable levels through a systematic framework of monitoring, country engagement, and control procedures.

4.29 CDB's Office of Risk Management (ORM) has overall responsibility for the establishment and oversight of its Risk Management Framework. The ORM policies identify, analyse, and monitor the risks faced by CDB, to set appropriate risk limits and controls, and to ensure adherence to limits. Risk management policies and systems are reviewed to reflect changes in the market conditions and CDB's activities. Table 4.2 summarises the likely risks, as well as CDB's proposed mitigation measures.

**TABLE 4.2: RISK ASSESSMENT AND MITIGATION MEASURES**

<b>Risk Type</b>	<b>Description of Risk</b>	<b>Mitigation Measures</b>
Credit	Macroeconomic shock or unforeseen circumstances impair GOSL's ability to meet its debt obligations and threaten the CES implementation.	Close and consistent monitoring of macroeconomic conditions through fiscal and debt updates done by CDB in collaboration with Ministry of Finance (MOF) officials are expected to provide early warnings of adverse macroeconomic shocks. In the case of a shock, CDB will engage with GOSL to develop appropriate response mechanisms, including a PBL.
Liquidity	GOSL has insufficient liquidity to meet debt service obligations to CDB and to provide counterpart contributions.	CDB will monitor fiscal and debt conditions throughout the CES period, and through the Country Economic Review and the fiscal updates. The semi-annual stock takes provide opportunities to reassess the CES, as well as Saint Lucia's liquidity position. CDB will support GOSL in making the most of concessional funding, such as the Climate Action Line of Credit and the Green Climate Fund (GCF).
Operational	Implementation capacity constraints.	CDB will identify implementation capacity constraints as part of the project appraisal process and provide the necessary project implementation capacity building support. The semi-annual stock takes will also help to identify capacity constraints and to plan mitigating actions. The PMDU, embedded within the Prime Minister's Office, is expected to enhance GOSL's delivery of KRAs, which forms the basis of the CES. CDB's planned RIO is expected to improve the implementation capacity in Saint Lucia.
Operational	Climate change and weather-related natural disasters	Saint Lucia is vulnerable to the impacts of natural hazard events, such as storms and hurricanes. All interventions are climate screened, the associated risk documented, and contingencies built into each project based on the screening. The CES allows flexibility to respond to the challenges posed by natural hazards by making additional specific disaster-response financing available through its Disaster Management Strategy and Operational Guidelines.
Operational	Prolonged COVID-19 impacts on the SPS	Consistent monitoring of performance of Saint Lucia's SPS through project reports and survey data. In the case of sub-optimal performance of the programmes under implementation, CDB will assess the situation in collaboration with Saint Lucia and the Development Partners, and develop appropriately-scaled, gender-sensitive, and socially-inclusive responses to the challenges and risks identified.
Political	Political risks are connected with a change in administration leading to changes in government priorities.	Broad-based consultation that included representatives of the ruling party and the Opposition will reduce the risk of a major shift in priorities because of a change in administration.

**GENDER MARKER ANALYSIS**

<b>CRITERIA</b>	<b>SCORE</b>	<b>DESCRIPTION/CODE</b>
Analysis	1	Social and gender analysis conducted at CES preparation and incorporated in the CES document.
Data	0.5	Sex-disaggregated data included in the analysis and in the baselines and indicators and targets of the Results Framework.
Engagement	1	Consultations with gender-relevant stakeholders undertaken during preparation.
Response	0.5	Gender-responsive outcomes, outputs and indicators included (but not for each outcome).
<b>TOTAL</b>	<b>3.0</b>	<b>Code: GM</b>

GM: The CES has the potential to contribute significantly to gender equality.

**SOCIAL VULNERABILITY MATRIX**

<b>Name of Institution</b>	<b>Name of Group/s</b>	<b>Types of Risks/Vulnerabilities Faced</b>	<b>Existing Policy and Programmes</b>	<b>Partners</b>	<b>Recommended Mitigating Strategies</b>
United Nations Children’s Fund (UNICEF)	Children and youth (15-24 years)	Social exclusion, neglect, and abuse	<ul style="list-style-type: none"> <li>• Roving Care Givers</li> <li>• National Youth Policy</li> </ul>	<ul style="list-style-type: none"> <li>• MOE</li> <li>• MOESJ</li> </ul>	Strengthening child-centred programmes to enhance youth participation and development
Gender Relations (MOE, Innovation, Gender Relations and Sustainable Development)	Women, girls, men, and boys	<ul style="list-style-type: none"> <li>• Domestic and Gender-based Violence (GBV)</li> <li>• Economic Exclusion of Women</li> </ul>	<ul style="list-style-type: none"> <li>• Legislation, state protection and support services available to survivors</li> <li>• Country Gender Assessment</li> <li>• Protocol to Convention for the Elimination of All Forms of Discrimination Against Women</li> </ul>	<ul style="list-style-type: none"> <li>• UN Women</li> <li>• MOESJ</li> </ul>	<ul style="list-style-type: none"> <li>• Extension of GBV services in vulnerable and at-risk communities</li> <li>• Training in Psychological Counselling</li> <li>• Economic Empowerment Programme</li> <li>• Gender-responsive programmes aimed at providing opportunities for the sexes to maximise their full potential</li> </ul>

Name of Institution	Name of Group/s	Types of Risks/Vulnerabilities Faced	Existing Policy and Programmes	Partners	Recommended Mitigating Strategies
MOESJ	Youth	<ul style="list-style-type: none"> <li>• Crime and Violence</li> <li>• Unemployment</li> </ul>	<ul style="list-style-type: none"> <li>• Youth Empowerment Project (Citizen Security)</li> <li>• Education and Skills Training</li> </ul>	<ul style="list-style-type: none"> <li>• MOE</li> <li>• United States Agency for International Development (USAID)</li> <li>• CDB</li> </ul>	Strengthened citizen security interventions
MOESJ	<ul style="list-style-type: none"> <li>• School-aged children, youth and parents</li> <li>• Persons with Disabilities (PwDs)</li> <li>• Indigent population</li> <li>• Poor and vulnerable including indigent households, female-headed households, youth and PwDs</li> </ul>	<ul style="list-style-type: none"> <li>• Poverty</li> <li>• Unemployment</li> <li>• Impacts of Non-Communicable diseases</li> <li>• Social exclusion</li> <li>• Access to public services and education</li> </ul>	<p>Targeted social assistance programmes including:</p> <ul style="list-style-type: none"> <li>• Cash Transfer Programme</li> <li>• Multiple In-kind Transfers and Services</li> <li>• Labour Market Programmes</li> <li>• Community-based programmes</li> <li>• Social Care Services</li> <li>• School Feeding Programme</li> <li>• Education Assistance</li> <li>• BELfund</li> <li>• Koudemain Ste Lucie</li> <li>• Public Assistance Programmes</li> <li>• Convention on the Rights of PwDs</li> <li>• School Feeding Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Saint Lucia Social Development Fund</li> <li>• OECS Commission</li> <li>• UNDP</li> <li>• UNICEF</li> <li>• WB</li> <li>• Ministry of Health and Wellness</li> <li>• Financial Institutions</li> <li>• Civil Society Organisations</li> </ul>	<ul style="list-style-type: none"> <li>• Increased resilience of the SPS</li> <li>• Inclusion of PWDs in programmes for social and economic empowerment</li> <li>• Financial inclusion for human capital formation</li> </ul>

<b>Name of Institution</b>	<b>Name of Group/s</b>	<b>Types of Risks/Vulnerabilities Faced</b>	<b>Existing Policy and Programmes</b>	<b>Partners</b>	<b>Recommended Mitigating Strategies</b>
National Skills Development Centre	Persons in need of skills training	Unemployment	Established under the Companies Act 1996	<ul style="list-style-type: none"> <li>• TVET Institutes</li> <li>• Skills Training Institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Mentorship Programmes</li> <li>• Job attachments</li> </ul>
Boys' Training Centre	<ul style="list-style-type: none"> <li>• Boys in need of care and protection</li> <li>• Boys in conflict with the law</li> </ul>	<ul style="list-style-type: none"> <li>• Social exclusion</li> <li>• Poverty and vulnerability</li> </ul>	Statutory Regulation #23, 1976	<ul style="list-style-type: none"> <li>• MOESJ</li> <li>• MOE</li> </ul>	Whole-systems citizen security interventions targeting youth and families at risk of anti-social behaviours, crime and violence

**SUMMARY OF FISCAL OPERATIONS, 2018-2025**

(% of GDP)

<b>Fiscal Accounts</b>	<b>2018</b>	<b>2019<sup>e</sup></b>	<b>2020<sup>p</sup></b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Total Revenue and Grants	21.4	20.8	21.2	21.0	20.9	20.8	20.7	20.6
Tax Revenue	18.6	18.4	18.5	18.4	18.3	18.3	18.2	18.1
Non-Tax Revenue	2.0	1.5	1.8	1.7	1.7	1.7	1.7	1.7
Total Spending	23.2	24.7	30.2	26.0	25.4	24.6	24.3	23.8
Current	19.0	19.5	22.6	21.0	20.5	19.9	19.7	19.1
Capital	4.2	5.1	7.6	5.0	4.8	4.7	4.6	4.6
Current Balance	1.6	0.4	-2.3	-0.9	-0.5	0.1	0.2	0.6
Overall Balance	-1.8	-3.9	-9.1	-5.0	-4.5	-3.8	-3.6	-3.1
Primary Balance	1.3	-0.9	-4.8	-1.1	-0.5	-0.1	0.3	0.5
<b><u>Memo Items</u></b>								
Prices	2.6	0.5	1.0	2.0	2.0	2.0	2.0	2.0
Nominal GDP Growth	2.9	2.7	-18.0	7.7	5.3	5.1	4.0	4.0
Real GDP Growth	2.6	1.7	-18.8	5.6	3.4	2.8	2.0	2.0
Weighted Average Interest Rates	5.9	5.6	5.4	4.9	5.0	4.7	4.8	4.6

*p=projected; e=estimated. Data refer to FY ended March 30, 2020.*

*Source: CDB and MOF, GOSL.*

**CLIMATE AND DISASTER RISK SCREENING**

**Basic Project/Programme Information**

<p><b>Project Title:</b> CES  <b>Country:</b> Saint Lucia  <b>Sector:</b> Multi-Sector</p>
<p><b>Country Objectives and Brief Description:</b></p> <p>To identify the overall risk to priority sectors critical to meeting the country’s CES outcomes and priorities based on climate and geophysical hazards and sector potential impact, but adjusted for the sector’s institutional readiness and for the challenges and opportunities presented by the larger development context.</p>
<p><b>Project Cost:</b> N/A.</p>

**Summary of Climate and Disaster Risk Screening**

<p><b>A. Context</b></p> <p>Saint Lucia is a SIDS within the Lesser Antillean Arc of the Caribbean Archipelago. In 2015, the population was estimated at 172,623. The Castries District has the highest population density. Of the total 2010 population<sup>1</sup>, 65,656, or 39.6%, lived in the coastal city and its suburbs.</p> <p>The land area is approximately 616 square kilometres (km<sup>2</sup>) and its coastline is approximately 158 km in length. The coastal shelf has an area of 522 km<sup>2</sup>, is relatively narrow, and drops off sharply along the west coast. The rugged landscape is characterised by mountains along a centrally-located, north-south oriented mountain range and deep valleys and rivers. Saint Lucia is almost entirely of volcanic origin. Similar to the other islands of the Lesser Antilles, Saint Lucia is part of a volcanically-active ridge formed along the subduction zone in the Eastern Caribbean. As a result, the island is affected by volcanic and seismic activity.</p> <p>As a small island in the Atlantic hurricane belt, Saint Lucia is exceptionally vulnerable to climate change risks and impacts, and the associated costs. It faces high risks of hurricanes and landslides, and a medium risk of coastal floods. Among small states, Saint Lucia ranks fifth at risk for natural disasters. Of the 182 countries in the Climate Risk Index, Saint Lucia was in the top 10% for losses to climate-related natural disasters during 1997-2016, and in the top 15% of climate-related disaster fatalities. Saint Lucia’s primary climate change concerns are damage from intensified extreme weather (floods and landslides – with associated loss of life, infrastructure, housing, and output), threats to water supply, and economic costs to tourism and primary sectors from projected increases in temperature and sea level.</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**B. Exposure<sup>1</sup>: Brief Description of Hazards Likely to Affect the Country Engagement Strategy<sup>2</sup>**

<u>Hazard:</u>	<u>Description<sup>3</sup>:</u>
<ul style="list-style-type: none"> <li>i. Extreme Temperature</li> <li>ii. Extreme Precipitation and Flooding</li> <li>iii. Drought</li> <li>iv. Sea Level Rise (SLR) and Storm Surge</li> <li>vi. Strong Winds</li> <li>vii. Earthquakes</li> <li>viii. Landslides</li> </ul>	

**C. Sensitivity<sup>4</sup> of Sectors (if known) or Overall Project**

Education

Climate change has a direct impact on education. The primary impacts of climate change on education arise from the effects of extreme weather events, such as heavy rains accompanied by flooding and strong winds. Drought and increasing temperatures can lead to poor harvests and food scarcity, and increased costs for food that have negative impacts upon educational attainment. Extreme weather events reduce the availability of safe drinking water, compromise sanitation, and increase the incidence of weather-related diseases such as malaria and diarrhea, leading to absenteeism. The disruptive weather patterns due to climate change can damage or destroy school infrastructure diverting limited public resources toward rebuilding and/or rehabilitating destroyed infrastructure. Additionally, schools are used as emergency shelters; however, they lack the requirements. Several schools throughout Saint Lucia are located in flood-prone areas or within areas vulnerable to landslides. With the effects of climate change and natural hazards projected to intensify, these processes can be exacerbated thus future construction must take areas prone to flooding into consideration.

Agriculture

Agriculture is highly exposed to the impact of climate-related hazards, with extended drought, flooding, and other weather extremes (including tropical storms), causing substantial damage and exacerbating soil degradation (erosion) processes. For example, the drought of 2010 and 2011, accounted for a reduction of 15.0% in banana exports during the first semester of 2010 alone. Hurricane Tomas, also in 2010, caused damage of approximately XCD151.8 mn (approximately \$56.9 mn) in the agricultural sector. The flooding, and to a lesser extent the winds of the hurricane, destroyed entire banana fields and reduced production in the following years.

Climate change is expected to affect Saint Lucia’s agricultural production, mainly through the direct effects on crop production of increasing temperatures, changes in precipitation patterns (including more frequent and intense drought episodes), increasing storm intensity (and flooding) and high winds. With higher temperatures, climate change could also increase water demand (and reduce supply with more frequent drought) and increase the incidence of pests, weeds, and disease. With changes in temperature and precipitation, shifts in the crop suitability of agricultural land are also to be expected. In addition, longer dry periods and more torrential rains could aggravate land degradation processes (erosion) and increase the risk of landslides in steep areas.

<sup>1</sup> The presence of people, livelihoods, species or ecosystems, environmental services and resources, infrastructure, or economic, social, or cultural assets in places that could be adversely affected by a hazard.

<sup>2</sup> A physical process or event (hydro-meteorological or oceanographic variables or phenomena) that can harm human health, livelihoods, or natural resources.

<sup>3</sup> For details see Table 1: *Climate and Geophysical Hazards, and Potential Impacts for Priority Sectors for Current and Future Time.*

<sup>4</sup> The degree to which a system, asset, or species, may be affected – either adversely or beneficially – when exposed to climate variability or change, or geophysical hazards.

Infrastructure

The road infrastructure in Saint Lucia is increasingly affected by climate change, and the economic impacts, especially from severe rainfall events, are often substantial, mainly through loss of access due to damage to roads, culverts, and bridges. The Ministry of Transport and the Ministry of Infrastructure are the agencies responsible for organising and directing transport policy and for planning, preparing, contracting, and administering road improvement, construction, and rehabilitation projects. These ministries currently have no methodology for considering the climate change risks and impacts when planning investments. Climate change aspects are therefore neither part of the present road planning system nor the national road network rehabilitation project currently underway.

The Ministry of Infrastructure provides some maintenance of the existing road network. However, efforts to maintain the national road network are not adequate and maintenance needs exceed the available funding. Furthermore, many existing roads are of sub-standard quality, and the weight control of vehicles is absent. These issues are interrelated in the sense that poor or inadequate maintenance increases the climate vulnerability of existing roads and decreases the life span of individual roads, impacting the entire road network. This situation has led to an adaptation deficit in the road sector that will continue to grow unless a robust adaptation programme is put in place.

**D. Adaptive Capacity**

Overall, the priority sectors in the CES have a low adaptive capacity to potential impacts of climate change. While several policies and strategies have been developed, none of the institutions with responsibility for managing these sectors has taken a comprehensive and systematic approach to incorporating climate change considerations into their operations.

**E. Climate and Disaster Risk Assessment Summary**

Saint Lucia is vulnerable to natural hazards, including tropical storms, hurricanes, floods, drought, landslides, and earthquakes, which pose risk to the economic sectors, such as tourism and agriculture (see Table 2). Saint Lucia's mountainous terrain and volcanic geology make it especially vulnerable to landslides, particularly in the aftermath of heavy rains; other risks include low to moderate earthquake risk, storm surge, and flash floods. Similar to other mountainous island nations, the majority of the population lives in urban centers and most settlements are along the narrow coastal fringe or in river valleys, increasing the vulnerability of the population to SLR and intense storm events<sup>5</sup>.

Over the years, Saint Lucia has integrated climate change into several national strategies, policies, plans and projects as evidenced by the extensive development of assessments, policies, legislation, and plans to support climate change efforts. Key documents include the: NDCs; Climate Change Adaptation Policy (2015); and the NAP. NAP assesses climate change risks to several sectors including the CES priority sectors of agriculture and infrastructure. NAP outlines immediate, medium, and long-term sector climate change adaptation needs and adaptation strategies, costed investment plans for priority sectors, and a monitoring/evaluation plan.

The priority sectors in the CES have varying levels of vulnerability to climate variability and climate change, with the agriculture sector being the most sensitive to increases in temperature, SLR, intensity of storms, and changes in precipitation patterns. The agriculture sector's contribution to GDP continues on a downward trend. This trend is likely to continue given the abandonment of farmlands, the loss of prime agricultural lands to physical development, loss of interest by the young in agriculture as a career, and the impacts of extreme weather conditions, including droughts, among others. Notwithstanding, the sector remains a priority for the local economy for employment generation and food security.

Saint Lucia's Education Sector Development Plan (ESDP) (2015-2020) does not include a significant climate change component, but is a source of information on areas where climate change adaptation and mitigation

<sup>5</sup> Saint Lucia Climate Change Baseline Assessment Report.

implementation activities may benefit the education system. The management of climate and disaster risks and impacts to education infrastructure is a priority in the ESDP, therefore increasing the resilience of the education infrastructure is an objective of the ESDP.

Climate proofing existing roadways and bridge infrastructure is of prime importance. This is aligned with the MTDS objective to build resilience and reduce vulnerability to climate change by retrofitting existing infrastructure and integrating climate change considerations into designs for new infrastructure.

Adaptive capacity in all sectors is low, signaling the need for interventions to address gaps. Planned and ongoing interventions include: reducing physical vulnerability of critical infrastructure; strengthening the capacity of line ministries to mainstream climate resilience considerations into core physical and investment planning and asset maintenance; developing climate risk and vulnerability assessments for the agriculture sector and implementing adaptation plans of action responding to the vulnerabilities identified; and improving meteorological and hydrological data collection and use, and emergency response and recovery planning.

More emphasis needs to be placed on:

- i. Mainstreaming climate change into key sectors by undertaking climate vulnerability assessments and developing climate resilient investment master plans for critical infrastructure.
- ii. Ensuring that responsibilities for climate action are logically assigned to relevant ministries, with clear responsibilities for developing sectoral strategies and costed investments.
- iii. Ensuring that climate-related objectives and activities are systematically identified in the Budget, and investment projects explicitly linked to these objectives and activities.
- iv. Implementing adaptation measures identified for the CES priority sectors.
- v. Supporting DRM through mapping of community level landslide risk, road slope stabilisation, and seismic micro-zonal hazard mapping.

**F. Overall Risk Assessment Rating (None/Low/Moderate/High):** Moderate.

**TABLE 1: OVERALL SECTOR RISK**

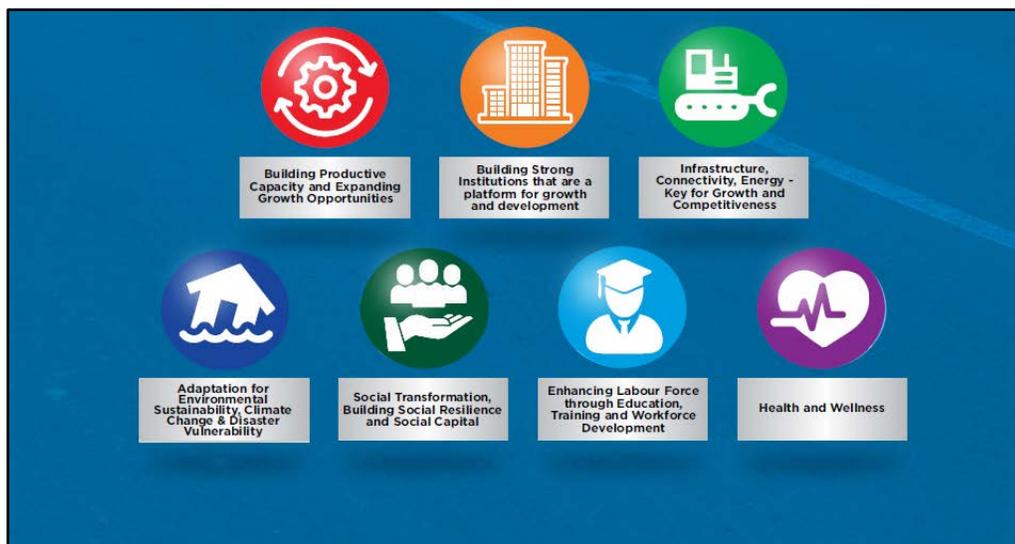
	Education		Agriculture		Transport	
	Historical/ Current	Future	Historical/ Current	Future	Historical/ Current	Future
<b>Potential Impact</b>						
Extreme Temperature	Low Potential Impact	Moderate Potential	Moderate Potential	Impact High Potential Impact	Low Potential Impact	Moderate Potential
Extreme Precipitation and Flooding	Moderate Potential	Impact High Potential Impact	Impact High Potential Impact	Impact High Potential Impact	Moderate Potential	Impact High Potential Impact
Drought	Low Potential Impact	Moderate Potential	Impact High Potential Impact	Impact High Potential Impact	No Potential Impact	Low Potential Impact
SLR	No Potential Impact	Moderate Potential	Low Potential Impact	Moderate Potential	Low Potential Impact	Moderate Potential
Storm Surge	Low Potential Impact	Impact High Potential Impact	Low Potential Impact	Moderate Potential	Moderate Potential	Impact High Potential Impact
Strong Winds	Impact High Potential Impact	Impact High Potential Impact	Impact High Potential Impact	Impact High Potential Impact	Low Potential Impact	Moderate Potential
Earthquake	Low Potential Impact	X		X		X
Landslide	Moderate Potential	X	Moderate Potential	X	Impact High Potential Impact	X
Overall Sector Potential Impact	Low Potential Impact	Moderate Potential	Moderate Potential	Impact High Potential Impact	Moderate Potential	Moderate Potential
Institutional Response	0 to 4	5 to 8	0 to 4	5 to 8	0 to 4	5 to 8
Preliminary Sector Impact	Low Potential Impact	Moderate Potential	Moderate Potential	Impact High Potential Impact	Moderate Potential	Moderate Potential
Development Context Considerations			Access to technology (Climate Smart Agriculture): decreases risk		Access to technology: decreases risk	
Overall Sector Risk	Moderate Potential	Moderate Potential	Moderate Potential	Impact High Potential Impact	Moderate Potential	Moderate Potential

**Legend:**

Insufficient Understanding	No Potential Impact	Low Potential Impact	Moderate Potential	Impact High Potential Impact
----------------------------	---------------------	----------------------	--------------------	------------------------------

**STRATEGIC DEVELOPMENT VISION-DETAILED PRIORITIES**

**Saint Lucia's Seven National Development Pillars**



**Key Results Areas**

**Economic Priorities**

The economic priorities are targeted toward accelerating economic growth in GDP, job creation and investments.

1 Tourism	2 Agriculture	3 Infrastructure
<p><b>Increase stay-over tourist arrivals from 386k in 2017 to 541k by 2022</b></p> <ul style="list-style-type: none"> <li>• <b>Unlocking High-Impact Tourism Projects</b> <ul style="list-style-type: none"> <li>– World-class integrated tourism resort</li> <li>– Expansion of accommodation projects</li> <li>– Rejuvenation of iconic sites</li> <li>– Luxury aviation facility</li> </ul> </li> <li>• <b>Diversification of Product Offerings</b> <ul style="list-style-type: none"> <li>– Spa &amp; wellness tourism</li> <li>– Ecotourism</li> <li>– Village Tourism</li> </ul> </li> <li>• <b>Air &amp; Sea Connectivity</b></li> <li>• <b>Improvement of EIA process approvals</b></li> </ul>	<p><b>Increase agriculture production by 36% to 47,314 tonnes by 2022</b></p> <ul style="list-style-type: none"> <li>• <b>Food Production</b> <ul style="list-style-type: none"> <li>– Increase production of meats and poultry</li> <li>– Increase production of processed foods</li> <li>– Increase production of high value and high yield crops</li> </ul> </li> <li>• <b>Cannabis Reform</b> <ul style="list-style-type: none"> <li>– Diversifying into Cannabis as a high yield crop</li> </ul> </li> <li>• <b>Sanitary &amp; Phytosanitary (SPS) Enforcement</b></li> </ul>	<p><b>Land</b></p> <ul style="list-style-type: none"> <li>• Reconstruction and rehabilitate 98.7km of road infrastructure to reduce travel time and improve connectivity</li> </ul> <p><b>Sea</b></p> <ul style="list-style-type: none"> <li>• Enhance the capacity of ports to handle 934,000 cruise passengers by 2022</li> </ul> <p><b>Air</b></p> <ul style="list-style-type: none"> <li>• Enhance capacity of Hewannora International Airport to handle up to 1 million</li> </ul>

Social Priorities

The social priorities are targeted toward enhancing inclusivity, competitiveness, wellness and security of the citizens and visitors.

1 Healthcare	2 Education	3 Citizen Security
<p><b>To achieve 100% access to quality healthcare for all Saint Lucians</b></p> <ul style="list-style-type: none"> <li>• Economic Access               <ul style="list-style-type: none"> <li>– Development of a financing framework for a National Health Insurance Scheme</li> </ul> </li> <li>• Physical Access               <ul style="list-style-type: none"> <li>– Commissioning of the Owen King European Union Hospital</li> <li>– St. Jude Hospital New Wing Development</li> </ul> </li> </ul>	<p><b>7,500 students enrolled in public post-secondary/tertiary education and TVET programmes</b></p> <ul style="list-style-type: none"> <li>• Skills Pathways               <ul style="list-style-type: none"> <li>– Secondary School skills training</li> <li>– Provision of post-secondary TVET</li> </ul> </li> <li>• Academic Pathways               <ul style="list-style-type: none"> <li>– Secondary school student performance</li> <li>– Provision of post-secondary and tertiary education</li> </ul> </li> </ul>	<p><b>45% reduction in serious crime rate per 100,000 population</b>  <b>30% reduction in recidivism rate</b>  <b>30% improvement in public perception of crime &amp; safety</b></p> <ul style="list-style-type: none"> <li>• Crime Prevention               <ul style="list-style-type: none"> <li>– Enhancing crime detection &amp; patrol system</li> <li>– Increasing community involvement in crime fighting</li> </ul> </li> <li>• Investigation &amp; Prosecution               <ul style="list-style-type: none"> <li>– Improving investigation backlogs</li> <li>– Improving prosecution backlogs</li> </ul> </li> <li>• Rehabilitation               <ul style="list-style-type: none"> <li>– Enhancing adult rehabilitation programmes</li> <li>– Enriching rehabilitation for juveniles</li> </ul> </li> </ul>

**Box 1: Saint Lucia's PMDU Snapshot**

**PMDU was set up in 2019**

PMDU in the Office of the Prime Minister, was established in 2019 with assistance from CDB. The PMDU is designed to support timely delivery of prioritised projects, with an emphasis on monitoring for development results. PMDU also provides critical support to implementing agencies in removing impediments to implementation, where necessary. The goal of PMDU is to inculcate a culture of delivery across the public service. It has the express mandate of ensuring targets established under the MTDS are ultimately achieved. PMDU is headed by a Director and is made up of high caliber staff drawn from the best young talent across Government and the private sectors in Saint Lucia.

PMDU works with ministries to **accelerate progress in several critical priority areas**. Some of the notable progress made to date are:

- **Serious crime rate target for 2020 is to be 15% below the 2018 figures:** To date crime rates have fallen – and are 15.9% (November 2020) below 2018 figures and 15% below 2019 figures. The 2020 target for crime has already been achieved.
- **Hypertension target for 2020 – 56% of hypertensive patients have their high blood pressure under control:** the rate is now at 72%, the target has been surpassed with a 17-percentage point increase.
- **The 50% completion target for the rehabilitation of secondary and collector roads for 2020 has been met:** the road project is now at 55% completion and progress is continuing.
- **The target for cocoa exports for 2020 is a value of \$373,000:** the current value of exports is at \$390,630 and the Ministry of Agriculture is looking at further expanding and enhancing this sector.
- **The commissioning of OKEUH was advanced and expedited at the end of March of 2020.**
- **Provided valuable support to the Government's COVID-19 response** by contributing to the three-pronged response strategy: (a) Public Health Response; (b) Social Stabilisation Plan; and (c) ERRP. Members of the Unit also formed part of the COVID Command Centre.

**But more remains to be done**

- The delivery journey is into year two and training in the respective KRAs is underway.
- PMDU is now actively supporting the Government with a programme of targeted training and/or capacity building in the Deliverology methods.

**The Government remains committed to the journey**

- The Prime Minister has committed to a routine of quarterly 'stocktakes' to track progress on an ongoing basis and has been willing to lead in making tough decisions. So far, four stocktakes have been completed, with the fifth planned for January 2021, to review 2020.
- In recognition of the value that the PMDU has brought to some critical areas of the Government, the Prime Minister has committed to making the Unit a permanent fixture within the Government.

**REVIEW OF PREVIOUS COUNTRY STRATEGY PAPER  
AND POST-STRATEGY INTERVENTIONS**

1. The 2013-16 Strategy had an overarching objective of Building Social and Economic Resilience and was designed with the aim of assisting GOSL with achieving the development outcomes needed to realise sustained growth and poverty reduction. It intended to do this by: (a) improving the efficiency of social and economic infrastructure; (b) enhancing sectoral competitiveness and supporting the small business sector; (c) enhancing the capacity for strategic policy management to reduce vulnerability; and (d) improving youth outcomes. However, the implementation of the strategy got off to a slow start. Project initiation and implementation were delayed due to: (i) extreme weather events, such as the trough in December 2013; and (ii) changed priorities by the new Government in 2016 that interrupted implementation. Notwithstanding, the outcomes from that strategy remained relevant and continued to guide CDB's intervention post-strategy.

2. In relation to the country-level development goal of **Development of Modern Affordable and Resilient Infrastructure that Supports Social and Economic Development**, CDB's CSP focused on the outcome of **Improved Efficiency of Social and Economic Infrastructure**, which focused heavily on improving the efficiency and resilience of the transport infrastructure, and improving water supply services and management. Interventions in this regard, included the continued implementation of road development and water supply projects. Though delays postponed the realisation of the development impacts of initiatives under these outcomes, the impacts to date are largely in line with expected outcomes. This is particularly evident in the water supply services projects, which resulted in a reduction in water outages.

3. For the country-level development goals of **Upgrading/Enhancing the Education System and Reduced Youth Crime and Violence**, the strategic objective of **Improving Youth Outcomes** was divided into two country-level outcomes: (a) *increasing access to high quality education*; and (b) *improved outcomes for youth-at-risk*. With respect to the former, the Education Quality Improvement Project, which is currently ongoing, supports the enhancement of mechanisms and capacity for improved planning, leadership and delivery of education services; the rehabilitation, renovation and/or expansion of physical infrastructure at various education levels; and institutional strengthening and capacity building. This project is already contributing to the realisation of the objective. With regard to initiatives geared towards *improved outcomes for youth-at-risk*, YEP, currently in progress, focuses on mitigating risk factors that trigger criminal (anti-social) behaviours at the individual, family, community and societal levels. Special emphasis is placed on young men and vulnerable groups – particularly children, at-risk youth, and women. While these interventions are set on a course for delivering on positive development impacts, their full impacts have not been achieved to date.

4. CDB's strategic outcomes of **Improved Capacity for Strategy Policy Management to Reduce Vulnerability**, sought to address the country-level development goals of *Improving Delivery of Social Services and Building Resilience through Enhanced Environmental Protection, Land Management, DRM and Adaptation to Climate Change*. The overarching outcome was split into the country-level outcomes of *enhanced capacity for the management of social policy including improved targeting of vulnerable groups* and *enhanced institutional capacity to better manage environmental, climate change and disaster risks*. Though the realisation of these outcomes were delayed, there is evidence to suggest that in the area of social policy management there has been some improvement. The Enhanced CPA was completed, albeit outside of the strategy period, but was guided by the principles of the strategy. CDB also supported the Disability Assessment. This project aimed to enable the full participation of PwDs in the society and economy, by assisting with the provision of reliable data to inform and strengthen programming targeting this vulnerable group. With regards to the outcome linked to building resilience, Saint Lucia benefited from numerous capacity-building initiatives, individually and severally, alongside other BMCs. Moreover, Saint Lucia

also benefited from support through the standard loan and grant products for emergency relief and reconstruction efforts following adverse weather events.

5. The country-level outcomes associated with the development goals of **Revitalising the Agricultural Sector and Supporting Private Sector Development** were *Increased contribution of agricultural output in selected areas* and *Enhanced Viability of SMEs*. There were no interventions in the areas of agriculture, so the related outcome was not achieved. Regarding private sector development, training as capacity building sessions were conducted by Caribbean Technological Consultancy Services through TA. For example, training and technical support was provided to a number of MSMEs to institute computerised management accounting systems. Project targets were mixed and, as such, the development impact of the interventions was also mixed.

6. Finally, regarding the country-level development goal of **Promoting Gender Equality**, the country-level outcome of *Strengthened Capacity for Gender mainstreaming* was largely met, notwithstanding the delay. TA was provided to GOSL to conduct a Country Gender Assessment (CGA). The CGA provided a gender analysis of the economic, social and governance sectors in Saint Lucia. The CGA was the first and most critical step towards gender-responsive planning and programming as part of a process of mainstreaming gender in projects and programmes in Saint Lucia. CDB also provided a grant to GOSL to finance a gender mainstreaming project, which seeks to ensure that gender is mainstreamed throughout the public service. Through the project, public servants have been introduced to gender concepts and gender analysis with the aim of ensuring that during planning and budgeting in the public service, issues relating to men and women are dealt with equally.

#### **COUNTRY STRATEGY 2013-16 INDICATIVE RESOURCE ENVELOPE**

<b>Projects</b>	<b>Amount</b>
<b><u>Building Social and Economic Resilience to Support Sustainable and Inclusive Growth</u></b>	
<i>Improved Efficiency of Social and Economic Infrastructure</i>	
(i) North/South Link Road	40.5
(ii) Water and sanitation infrastructural upgrade and enhancement of managerial capacity	12.5
(iii) Upgrade materials testing laboratory	1.4
(iv) Support the rehabilitation and maintenance of vulnerable roads and bridges, inclusive of drainage issues	3.4
<i>Increased Contribution of the Agricultural Sector</i>	
(i) Farm access, drainage, and water supply improvements	2.0
<i>Improved Youth Outcomes</i>	
(i) Investment loan targeting ECD, post-secondary access, curriculum development	23.6
(ii) Improved Outcomes for Children-at-Risk	4
<i>Improved Capacity for Strategic Policy Management to Reduce Vulnerability</i>	
(i) TA to improve the identification and efficient targeting of vulnerable persons	0.6
(ii) TA to support gender mainstreaming	0.1
(iii) TA to strengthen critical DRM functions in government ministries through systematised profiling, or empirical analysis of natural hazard and climate risks as part of sector portfolio management and national budgeting	0.4
<b>Total</b>	<b>88.5</b>

Source: CDB.

7. Beyond the scope of the 2013-16 CSP, CDB continued to engage GOSL providing critical support in other areas not defined by the strategy. The main areas of support since 2016 includes:

- (a) Approved and implemented TA for the Labs and Delivery Unit Project in 2018, which aims to increase project implementation rates.
- (b) Provided training to public servants in Project Cycle Management, Public Policy Analysis and Management, and public procurement.
- (c) Collaborated with GOSL and the Adaptation Fund on a \$10 mn project entitled 'Building Resilience for Adaptation to Climate Change and Climate Variability in Agriculture in Saint Lucia'. This project was approved by the Adaptation Fund in 2019.
- (d) Assisted with accessing financing from GCF for water-related projects.
- (e) Provided support through the BNTF portfolio, as well as a number of regional initiatives.

### **BASIC NEED TRUST FUND – MULTI-SECTOR**

BNTF is the main vehicle of CDB for supporting poverty reduction in the Region through the provision of basic infrastructure and skills training aimed at improving the livelihoods of beneficiaries in participating countries. It is a cyclical programme that was launched in 1979 and is now in its Ninth Cycle (BNTF 9). Projects are implemented through grant financing from the Bank's SDF (Unified) and participating countries' governments counterpart contributions.

#### **BNTF 9 Profile**

As in earlier BNTF cycles, the sub-project components of BNTF 9 country projects are expected to focus on the strategic areas of:

- (a) Education and Human Resource Development;
- (b) Water and Sanitation Systems Enhancement; and
- (c) Basic Community Access and Drainage.

The intended outcome of BNTF 9 is 'improved access to quality education, water and sanitation, basic community access and drainage, livelihoods enhancement and human resource development services in low-income and vulnerable communities. However, under BNTF 9 there is increased emphasis on livelihoods enhancement, youth-at-risk, and enhancing the climate resilience of sub-projects.

Funding for BNTF 9 is estimated at \$46.04 mn, of which governments of the eight participating countries<sup>23</sup> will provide a counterpart amount of \$6.04 mn. Resources will be committed by December 31, 2019, and disbursed by December 31, 2020. In the case of Saint Lucia, a total allocation of \$3.9 mn was made, with \$2.9 mn being grant resources from the programme and the balance being counterpart financing from GOSL. The Table below shows BNTF 9 allocation to Saint Lucia informed by the approved Country Policy Framework.

---

<sup>23</sup> Belize, Commonwealth of Dominica, Grenada, Cooperative Republic of Guyana, Jamaica, Saint Lucia, St. Vincent and the Grenadines, and Suriname.

**SAINT LUCIA BNTF 9 PROJECT COST AND FINANCIAL PLAN**

<b>Component/Country Project</b>	<b>No. of Sub-Projects</b>	<b>Total Allocation (\$)</b>	<b>CDB Grant (\$)</b>	<b>Gov't Counterpart (\$)</b>	<b>Sector %</b>
<u>Sub-Projects – Summary</u>					
Education, Human Resource Development and Livelihoods	5	1,224,192	1,162,982	61,210	49
Access and Drainage	2	370,417	351,897	18,520	15
Water and Sanitation	3	900,296	855,281	45,015	36
<b>Sub-Projects Sub-Total</b>		<b>2,494,905</b>	<b>2,370,160</b>	<b>124,745</b>	<b>100</b>
Project Management Support		1,036,544	230,089	806,455	
Institutional Development		24,949	24,949	0	
M&E		74,847	67,362	7,485	
Implementation Support		274,440	274,440	0	
<b>TOTAL</b>	<b>10</b>	<b>3,905,685</b>	<b>2,967,000</b>	<b>938,685</b>	<b>100</b>

Source: BNTF.

## RESULTS FRAMEWORK

Country Development Priorities	Specific Sector Constraints Being Addressed by CDB	Sector Outcomes Being Targeted	Outcome Indicators	CDB's Indicative Areas for Support	Risks and Mitigation
<b>PILLAR 1: Enhancing Economic Outcomes Through Infrastructure and Private Sector Development</b>					
<p>i. Improved quality climate resistant infrastructure and services.</p> <p>ii. Private sector development</p>	<p>i. Inadequate governance structures to support sustainable infrastructure and service development.</p> <p>ii. Absence of inclusive development practices and synergies between the transport sector and other national development plans.</p> <p>iii. Inadequate data to support evidence-based decision-making.</p> <p>iv. Inadequate maintenance and capacity of infrastructure and services to support present and future demands.</p> <p>v. High vulnerability to climate variability and climate change.</p>	<p>i. Improved governance and management structures within the transport sector.</p> <p>ii. Enhanced transport planning.</p> <p>iii. Enhanced capacity of the Department of Infrastructure to develop inclusive, gender-responsive and resilient transport infrastructure.</p> <p>iv. Strengthened infrastructure capacity towards mitigation, preparedness, management and coordinated response to natural hazards and the impacts of climate change and climate variability.</p> <p>v. Improved level of service, accessibility, and mobility for road users.</p> <p>vi. Enhanced integrated solid waste management.</p> <p>vii. Enhanced viability of MSMEs.</p>	<p>i. Percentage of GOSL personnel effectively implementing the enhanced governance initiatives. <i>Baseline (2019):50%. Target (2023): 100%.</i></p> <p>ii. Population receiving an effective higher level of service and improved accessibility and mobility on primary, secondary, and tertiary roads. <i>Baseline (2019): 11,244. Target (2023): 21,565.</i></p> <p>iii. Private sector actors trained in business continuity and resilience planning, financial literacy, social media marketing and ecommerce. <i>Baseline (2019): No. Target (2023): Yes.</i></p> <p>iv. Number of Enterprise Surveys conducted. <i>Baseline (2019): 0. Target (2023): At least one.</i></p> <p>v. Private Sector actors trained in fresh produce exports. At least one new line of credit approved for SLDB. <i>Baseline (2019): No. Target (2023): Yes.</i></p>	<p>i. TA – An Integrated National Transport Policy and Plan drafted, accepted, and implemented.</p> <p>ii. Reconstruction and rehabilitation of 101 km primary and secondary roads.</p> <p>iii. Reconstruction and rehabilitation of 37.5 km of feeder roads</p> <p>iv. TA – Closure of Vieux Fort Landfill Report, accepted and implemented.</p> <p>v. TA – capacity building in the private sector.</p> <p>vi. TA – Enterprise Survey.</p>	<p><u>Risks</u></p> <p>i. Implementation capacity constraints.</p> <p>ii. Sub-optimal buy-in by key stakeholders including industry partners.</p> <p>iii. Timely pre-appraisal inputs, such as designs for infrastructure works.</p> <p><u>Mitigation Measures</u></p> <p>i. Deliberate measures to institutionalise the engagement of sector partners in the implementation of governance initiatives.</p> <p>ii. Active supervision of project/programme activities by CDB staff.</p> <p>iii. CDB will maintain dialogue with the country authorities and finalise arrangements for pre-appraisal inputs, such as critical conditions precedent to be met (including land acquisition, resettlement where warranted), financing preparation activities and designs from conception to final.</p>

Country Development Priorities	Specific Sector Constraints Being Addressed by CDB	Sector Outcomes Being Targeted	Outcome Indicators	CDB's Indicative Areas for Support	Risks and Mitigation
<b>PILLAR II: Enhancing Inclusive Social Development and Protection – Education</b>					
i. Improved quality, equity, efficiency, and effectiveness of the education system	ii. Limited access to quality tertiary/post-secondary education opportunities in key development areas.  iii. Limited access to demand-driven, technology-enabled and quality TVET programmes.  iv. Inadequate provision of high-quality and inclusive ECD services.  v. Sub-optimal teacher effectiveness to cater to the learning needs of all students at the various levels.  vi. Inadequate provision of quality and inclusive education services for learners with SEN.	i. An expanded supply of certified, skilled, and employable male and female labour in key development areas.  ii. Increased share of children receiving high-quality ECE.  iii. Increased number of students achieving the minimum requirements to matriculate through the various levels of the education system.  iv. Improved educational progress and outcomes for pupils with SEN and/or disabilities.	i. Increase in enrolment tertiary/post-secondary (including TVET). <i>Baseline (2018): 3,507</i> <i>Target (2023): 7,500</i> (Source: MOE).  ii. An increase in the net enrolment rate in ECD centres. <i>Baseline (2017):46.1%</i> <i>Target (2023): 56.1%</i> (Source: MOE).  iii. Percentage increase in the number of trained teachers delivering SEN programmes. <i>Baseline (2017): 64%</i> <i>Target (2023): 80%</i>	i. Tertiary Improvement and Transformation Project to expand access in key development areas at the post-secondary/tertiary levels.  ii. Project to expand access to competency-based/industry approved and ICT-enabled skills training for industry practitioners, uncertified workers, graduates of secondary schools and out-of-school youth and adults.  iii. Project to support expanded access to quality ECD provision and appropriate early stimulation, including improved monitoring of ECD standards and training of service providers.  iv. Project to support teacher effectiveness with emphasis on maximising technology integration, professional development and an enhanced accountability framework for teaching and learning.  v. Project to improve the strategic overview of SEN and the delivery of education services to learners with SEN.	<u>Main Risks</u> <ul style="list-style-type: none"> <li>i. Implementation capacity constraints.</li> <li>ii. Timely pre-appraisal inputs, such as designs for infrastructure works.</li> <li>iii. Sub-optimal buy-in by key stakeholders including industry partners.</li> </ul> <u>Mitigation Measures</u> <ul style="list-style-type: none"> <li>i. Deliberate measures to institutionalise the engagement of industry partners in the coordinating mechanisms for skills training.</li> <li>ii. Active supervision of project/programme activities by CDB staff.</li> <li>iii. CDB will maintain dialogue with the country authorities and finalise arrangements for pre-appraisal inputs such as financing preparation activities and designs.</li> </ul>

Country Development Priorities	Specific Sector Constraints Being Addressed by CDB	Sector Outcomes Being Targeted	Outcome Indicators	CDB's Indicative Areas for Support	Risks and Mitigation
<b>PILLAR II (Cont'd): Enhancing Inclusive Social Development and Protection – Citizen Security</b>					
ii. Improved resilience and citizen security through societal integration of youth at-risk and rehabilitation of young offenders	<ul style="list-style-type: none"> <li>i. High levels of crime and violence.</li> <li>ii. Limited human and social capital.</li> <li>iii. Weak institutional capacity to implement citizen security interventions.</li> <li>iv. Limited capacity in delivering restorative justice and court diversion programmes.</li> <li>v. Inadequate physical and social infrastructure to effectively deliver rehabilitation programmes at Boys' Training Centre and Upton Girls' Gardens Centre.</li> </ul>	Improved youth outcomes	<ul style="list-style-type: none"> <li>i. A reduction in recidivism rate of youths. <i>Baseline (2017): 19.7%. Target (2023): 13.8%.</i></li> <li>ii. A reduction in the number of young males and females in conflict with the law. <i>Baseline (2017): 52. Target (2023): 35.</i></li> </ul>	<ul style="list-style-type: none"> <li>i. Provision of safe, secure, modern and gender-responsive rehabilitative/multi-service centre for vulnerable and at-risk youth, and those who have come into contact with the law.</li> <li>ii. Strengthening Court Diversion Programme.</li> <li>iii. Strengthening Restorative Justice Programme.</li> <li>iv. Capacity-building and institutional strengthening of ministries and agencies involved in project implementation.</li> </ul>	<p><u>Main Risks</u></p> <ul style="list-style-type: none"> <li>i. Implementation of school initiatives, such as the Restorative Justice Programme, could be adversely affected by competing programmes in an already crowded and co-curricular environment.</li> <li>ii. Participation of beneficiaries.</li> </ul> <p><u>Mitigation Measures</u></p> <ul style="list-style-type: none"> <li>i. Project builds on existing programmes and seeks to avoid duplication through the sharing of resources with other projects, such as the CDB-financed YEP, USAID-financed Youth Empowerment Services and Community Family and Youth Resilience Projects.</li> <li>ii. Development of gender-differentiated strategies to mobilise and engage males in training activities.</li> </ul>

Country Development Priorities	Specific Sector Constraints Being Addressed by CDB	Sector Outcomes Being Targeted	Outcome Indicators	CDB's Indicative Areas for Support	Risks and Mitigation
<b>PILLAR II (Cont'd): Enhancing Inclusive Social Development and Protection – Social Protection</b>					
iii. Enhanced efficiency in social protection programme delivery	<ul style="list-style-type: none"> <li>i. Inefficiencies in the delivery of social protection programmes.</li> <li>ii. Weak institutional capacity to meet the needs of a well-functioning SPS.</li> <li>iii. An overwhelming emphasis on welfare rather than on workfare.</li> <li>vi. Inadequate psychosocial and mental health competencies among counsellors in the Ministries of Equities and Health.</li> </ul>	Strengthened social protection system.	<ul style="list-style-type: none"> <li>i. An increase in the number of beneficiaries with access to digital systems. <i>Baseline (2017): 0%. Target (2023): 50%.</i></li> <li>ii. An increase in the number of beneficiaries engaged in workfare programmes. <i>Baseline (2017): 10%. Target (2023): 60%.</i></li> <li>iii. An increase in the percentage of Counsellors at Ministries of Equity and Health with adequate psychosocial and mental health training. <i>Baseline (2017): 10%. Target (2023): 75%.</i></li> </ul>	<ul style="list-style-type: none"> <li>i. Provision of safe, secure, and modern digital system for facilitating payments to beneficiaries.</li> <li>ii. Capacity-building and institutional strengthening of ministries and agencies involved in project implementation.</li> </ul>	<p><u>Main Risks</u></p> <ul style="list-style-type: none"> <li>i. Implementation of capacity-building and institutional strengthening initiatives, could be adversely affected by competing programmes in an already crowded environment.</li> <li>ii. Slow and uneven rollout of digital payment options.</li> </ul> <p><u>Mitigation Measures</u></p> <ul style="list-style-type: none"> <li>i. Project builds on existing programmes and seeks to avoid duplication through the sharing of resources with other projects, such as WB-funded Social Protection – Human Capital Resilience Project.</li> <li>ii. Development of gender-differentiated strategies to support the seamless implementation of resilience-building social protection projects and programmes supported by CDB and Development Partners.</li> </ul>

Country Development Priorities	Specific Sector Constraints Being Addressed by CDB	Sector Outcomes Being Targeted	Outcome Indicators	CDB's Indicative Areas for Support	Risks and Mitigation
<b>PILLAR III: Enhancing Disaster Risk Management and Disaster Risk Reduction Systems</b>					
Improved capacities, systems and institutions for environmental sustainability DRM and climate resilience	<ul style="list-style-type: none"> <li>i. Limited capacity for mainstreaming environment and climate change adaptation to meet climate action objectives.</li> <li>ii. Unsustainable land use.</li> <li>iii. Limited institutional capacity to strengthen DRM policy, plans and strategies.</li> </ul>	Strengthened DRM and climate resilience	Public sector and community representatives that demonstrate improved capacities to plan and to integrate climate resilience into operations by 2023.	Providing TA for: <ul style="list-style-type: none"> <li>i. increased capacity building and institutional strengthening of sector agencies for climate change adaptation.</li> <li>ii. TA for long-term low emissions development strategy.</li> <li>iii. Strengthening of disaster preparedness and response to reduce disaster risks.</li> <li>iv. Sustainable land use planning.</li> </ul>	<u>Main Risks</u> Duplication of efforts across development partners.  <u>Mitigation Measures</u> CDB will ensure proper consultation is done with GOSL and development partners to avoid any duplication of effort.
<b>PILLAR IV: Crisis Response and Good Governance</b>					
Improved systems and institutions to respond and recover crises such as COVID-19	Limited systemic capacity to respond and recover from crises such as COVID-19.	Improved crisis response systems and institutions and good governance structures.	<ul style="list-style-type: none"> <li>i. Develop the capabilities to design Pandemic Preparedness Response Strategies. <i>Baseline (2017): 0.</i> <i>Target (2023): at least 1.</i></li> <li>ii. Business continuity plans developed. <i>Baseline (2017): 0.</i> <i>Target (2023): at least 1 for the general government, and 1 for each major government sector and agency.</i></li> <li>iii. Key pieces of legislations related to the management of government such as PFM, and procurement are updated <i>Baseline (2018): No.</i> <i>Target (2023): Yes.</i></li> </ul>	<ul style="list-style-type: none"> <li>i. Providing budget support to assist GOSL.</li> <li>ii. Capacity-building and institutional strengthening of ministries and agencies involved in fiscal management.</li> </ul>	<u>Main Risk</u> Duplication of efforts across development partners.  <u>Mitigation Measure</u> CDB will ensure proper consultation is done with GOSL to avoid any duplication of effort.

**IMPLEMENTATION REPORTING FRAMEWORK TEMPLATE**

**Country Engagement Strategy Implementation Update**

**Country: Saint Lucia**

**Date:**

**Macroeconomic Developments**

*A brief listing of 3-5 key macroeconomic issues*

**Key Development Issues**

*A listing of the key development issues affecting the country.*

**CES Outcomes**

*Listing of the outcomes included in the CES.*

Projects Under Implementation

Pipeline Projects

**Key Implementation Issues and Lessons**

*Are the CES outcomes still relevant?*

*If not, what has changed?*

*Are there any critical changes in circumstances that have taken place?*

*What are some of the factors that are positively and negatively affecting CES implementation?*

**Status of CSP Outcomes**

Outcome	Outcome Indicator	Baseline	Target	Status	Outlook

**Projects Under Implementation**

Project/TA Name	Total	Disbursed	Comments

**Status of Indicative Programme**

Project/TA Name	Actual/Expected Board Date	Status	

**DEVELOPMENT PARTNERS' CURRENT ACTIVITIES**

<b>Sector/Area</b>	<b>CDB</b>	<b>WB</b>	<b>ROCT</b>	<b>Other</b>
Agriculture			<ul style="list-style-type: none"> <li>Banana Productivity Improvement Project.</li> <li>Enhancing the Efficiency of Production – Distribution Supply Chain in Fruit and Vegetable.</li> </ul>	<ul style="list-style-type: none"> <li>EU/Banana Accompanying Measures: Agricultural Transformation Programme</li> <li>Morocco Government: Morocco Soil Fertility Mapping</li> </ul>
Energy		Geothermal Project: Sustainable Development Solar Carport and Photovoltaic Demonstration		
Tourism		OECS: Regional Tourism Competitiveness Project		Caribbean Community Development Fund: Village Tourism
Education	Education Quality Improvement Project	Human Capital Resilience Project (component of DVRP)	<ul style="list-style-type: none"> <li>ICT Integration Project – Smart Classrooms</li> <li>e-Books Initiative</li> </ul>	Organisation of American States: Towards a More Quality Assured ECD Sector
Environment and Coastal Protection		<p>Slope Stabilisation (component of DVRP)</p> <p>Disaster Risk Financing Strategy</p>		<ul style="list-style-type: none"> <li>UN Environment Programme: Integrated Ecosystem Management and Restoration of Forest on the South East Coast</li> <li>Iyanola – Natural Resources Management of the North East Coast</li> </ul>
Health		<ul style="list-style-type: none"> <li>Construction of Dennery Polyclinic (component of DVRP)</li> <li>Soufriere Hospital (component of DVRP)</li> <li>Health Systems Strengthening Project</li> </ul>	St. Judes Hospital Reconstruction Project	

<b>Sector/Area</b>	<b>CDB</b>	<b>WB</b>	<b>ROCT</b>	<b>Other</b>
Macroeconomic Management	PMDU National Development Planning Framework; and PBL	Project Coordination Unit Human Capital Resilience Project (component of DVRP)		
Private Sector Development/Trade				Compete Caribbean: National Competitiveness Agenda
Public Sector Modernisation/Governance		Caribbean Regional Communication Infrastructure Programme	Government Island-Wide Network	
Social Protection/Poverty Reduction		SSN Reform		
Transportation	UK-CIF: Millennium Highway West Coast Road Upgrade	Anse La Raye/Venus Road Piaye Bridge Drainage Improvement Works (components of DVRP)	<ul style="list-style-type: none"> <li>• Hewanorra International Airport Redevelopment Project</li> <li>• Overseas Engineering Corporation Secondary Road Rehabilitation</li> </ul>	Japan International Cooperation Agency: Reconstruction of Cul-de-Sac Bridge
Water and Sanitation	<ul style="list-style-type: none"> <li>• Dennery Water Supply Redevelopment Project</li> <li>• Vieux Fort Water Supply Redevelopment Project</li> </ul>			